

Dramatic Excerpts From Bambi Bembenek's New Book

Maclean's

CANADA'S WEEKLY NEWSMAGAZINE

APRIL 27, 1992 \$2.25



EXCLUSIVE

THE SURVIVORS

**DAVID MILGAARD DESCRIBES HIS 23 YEARS
BEHIND BARS—AND LOOKS TO THE FUTURE**



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CANADA'S WEEKLY NEWSMAGAZINE APRIL 27, 1992 VOL. 105 NO. 17

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COVER

THE SURVIVORS



David Milgaard walked out of prison last week and, for the first time in almost 25 years, he was a free man. The Supreme Court of Canada had recommended a new trial following his conviction in the January, 1966, murder of Gail Miller. Now, the former convict's lawyers say that they will press the Saskatchewan government to clear his name and compensate him for his time in jail.

COVER

BAMBI'S SONG—INSIDE AND OUT



Laurencia (Bambi) Bombanek served nine years in a U.S. prison for a murder she says that she did not commit. She escaped in 1990, fled to Canada and was captured three months later. In exclusive excerpts from her autobiography, published this week, she describes life in prison and on the run.

BUSINESS

THE DOCTORS OF DEBT



Environ's troubled Olympia & York Developments Ltd. has called in two experts at bringing insolvent companies back from the brink of ruin. Their first task: to reassure more than 90 creditors concerned about collecting their money—\$18.3 billion of it. The worst-case scenario faces a tough job.



A Tougher Fight Begins

When David Milgaard left Manitoba's Stony Mountain penitentiary last week, he was surrounded by family members and lawyers. They had fought doggedly to overturn his 18½-year sentence for the murder of Gail Miller, a Saskatchewan nursing student. His release took place after the Supreme Court of Canada ruled that new evidence in the case warranted another trial. But the Saskatchewan government announced that Milgaard will not face another day in court.

After 22 years behind bars, the co-prisoner, who suffers from periods of severe depression, clearly will need all the care that his family and community can provide. Meanwhile, those who fought for him over the years are certain to press ahead with new demands.

They want compensation for the man who was imprisoned at the age of 26 for a crime that he insists he did not commit. That will be a difficult fight, because the Supreme Court did not find that there had been a miscarriage of justice. Nor did the court absolve Milgaard of the killing. Now, he and his supporters say that they want action to remove the doubts. They claim that members of the Saskatchewan criminal justice system ignored another prime suspect in Miller's murder. They want to know why, and they want the real killer to be brought to justice.

Manitoba's Calgary Bureau Chief John Illiwa, who covered Milgaard's release for this week's cover story, says that his supporters are prepared to fight against almost any odds. Asked Illiwa "Getting Milgaard out of prison may be just the starting point of something that really occurred on that bitterly cold morning in January, 1968, when Gail Miller died?" With so many issues at stake, it may have been generations for Saskatchewan officials to deny, as they did last week, any possibility of an inquiry or compensation for a man who may have been grossly wronged.



Those (left) with Joya and David Milgaard prepared to battle against almost any odds.

Kevin Wray

Maclean's

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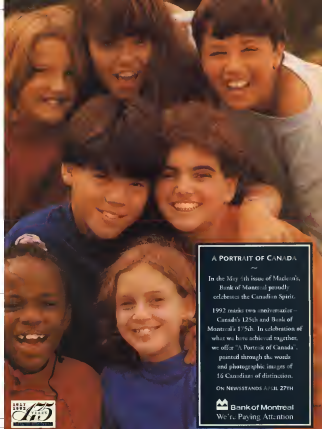
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A PORTRAIT OF CANADA

In the May 11th issue of Maclean's, Bank of Montreal proudly celebrates the Canadian Spirit.

1992 marks two anniversaries—Canada's 125th and Bank of Montreal's 175th. In celebration of what we have achieved together, we offer "A Portrait of Canada", painted through the words and photographic images of 16 Canadians of distinction.

ON NEWSSTANDS APRIL 27TH



Bank of Montreal
We're Paying Attention



Contributing Editors: Barbara Riddell, John Newman, Mary Sargent, Thomas Jennings, Alan Jackson, William Bennett, Jan Wainwright

Publicist: Joyce K. Hopton

LETTERS

Parting thoughts

Your April 23 special report, "In the eye of the storm," confirmed that I made the right choice by not returning to Quebec five years ago. As a francophone, I grew up in a suburb of Montreal but went to university in Ontario, in English, because I figured that it would be an asset in Canada, and I was right. Upon graduation, I landed in Vancouver, where I work as a professional. The political attitude is simply appalling. It is not anyone's right to take away the liberties of others by passing laws not allowing the display of their language or their choice of school. In a North American context, an all-French society will only live in the long run. If the Quebecers want to stay masters in their own province, they should stop promoting discriminatory laws and, instead, intelligently build their strength through business and personal success. Montreal should be allowed to do the same, without any restrictions. Quebec is losing not only anglophones but also talented francophones who can clearly see that living in Quebec will only hurt their personal lives and their careers. And I am one of them.

Clair Lemasson,
Burnaby, B.C.

Your articles on the anglophones of Quebec are based on anecdotes from those who are entertained and have given up on the future of our country—and, effectively, on the future of Canada. But there are thousands of others who make Quebec their home and intend to continue to do so. Those disgruntled Quebecers you interviewed got just that: the anglophone fight is not only a fight on behalf of professionals or successful writers. It is a fight for a whole community, and many of its members do not have the option to move. Reading your articles, one would conclude that anglophones are discriminated against on a daily basis. Nothing could be further from the truth. Business firms and public institutions abound where English- and French-speaking Quebecers work together. In January 1993 the law excluding English on commercial signs and restrictions on access to English schools will, if unchanged, limit our ability to build and attract English-speaking people. That running away will not change either law, and will guarantee victory to those who wish to reinforce either position.

Alan R. Patterson,
Montreal

What rubens sprouts from the mouth of Madonna Rielier when he refers, in "In the eye of the storm," to the plight of "Shakespeare, Greek, Portuguese," and other gifted anglophones? I am a Lebanese-Canadian who loves happily an



Montreal skyline: 'an all-French society will only live in the long run'

Quebec, and I have never been made to feel like an alien. Please, Madama, speak for yourself only. You could never expect us to contribute one cent to buy your book.

Joseph Aboud,
Pointe-Claire, Que.

I am one of the 30,000 Jews who, as described in "Going down the road," moved away from Montreal, leaving behind families, traditions and personal history to seek greener pastures. During the eight years since I moved to Toronto, I think I have made the most of my opportunities. I know the city well, my husband and I have a home and many friends in the city and I have an excellent job that I could never have obtained in Montreal. When I am asked whether I would ever move back to Quebec, I quote statistics on the shrinking English community and its dying institutions and insist that I never could. But if he is in my heart of hearts, I know that there will never be another city like the Montreal I grew up in, and if things were different, I would go home in a minute.

Rosine Rubin,
Toronto

Being a Franco-Ontarian, I can relate to what many Anglo Quebecers are going through, and I sympathize with them. I am thinking of moving to Quebec for some of the same reasons that Anglos want to move to English Canada. However, I too, would rather stay in my home province. But if I, as a francophone, had to choose what anglophones have in Quebec, the temptation to leave would be much smaller. I think that it would be very interest-

ing if Marleau's did a similar report about the concerns of francophones outside Quebec. If your readers are ready for a good, objective report on how they treat their French-speaking minority, then, without a doubt, Canada is worth staying.

Luigi John,
Guelph, Ont.

Alms for the rich

I find Premier Minister Donald Mazow's statement that the government is prepared to help the Richmonds very offensive. On April 20 I have no sympathy for the Richmonds or their money. The unpopularity of the real estate market was predictable, based on the savings-and-loan problem in the United States. We have been told to tighten our belts, expect less in federal transfer payments, and so on. But here the federal government is promising to help those who have "justified" their creditworthiness on the inflated value of real estate. Small wonder that Canadians are not competitive internationally. Let us make sure that the backing laws are applied equally to all.

Eric Joffe,
Brampton, Ont.

If you have lost your job or if you cannot meet the payments on the mortgage on your home or farm, it is not nice to know that Donald Mazow is prepared to help the Richmonds "shush" their finances! Thank about it, as you complete your income tax return.

Alvin Carr,
Regina

Letters may be considered. Please supply name, address and daytime telephone number. When letters to the Editor are published, the author's name, address and daytime telephone number will be published.

100

90

70

60

HERE'S LOOKING AT YOU

This photo, taken with the aid of a gamma-ray diagnostic camera, allowed doctors to see that their patient had no tumor. The same camera can be used to examine the health of all vital organs, often avoiding the need for exploratory surgery.

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LETTERS

The troughs of plenty

Congratulations to Nittha and Guy Saint-Jules, who keeps a detailed list of his expenses for income tax ("Perks of power," *Canada*, March 5). It is a delight to see that there are some original thinkers with a conscience among the many party hacks in the Commons. At a time in our history when we need an example of restraint, your article about him is timely. But one thing puzzles me: where were the Liberals and now when Saint-Jules called for a 20-per-cent cut in Parliament's operating budget?

Don Stewart,
Annis, Sask.

There are a number of problems with your facts and conclusions in "Perks of power." First, you add the new "normal" allowance of \$21,300, grossed up to a salary equivalent of \$41,847, to the regular salary of \$64,000, and declare a total pay of \$106,847. Ridiculous. The expense allowance covers extra expenses incurred in carrying out the duties of an MP. These include extra accommodation in Ottawa and on the road, and extra ground transportation not covered elsewhere. Your treatment is the equivalent of adding a travelling salesman's expenses to his commissions and grossing it up by the annual of income tax that would have been paid if it had been income. Second, persons are not "indebted for life" who leave before the age of 65 and demand nothing until they reach 60. And you say that the plan is better than any other, but ignore the fact that MP's contributions are 40 per cent higher than those of civil servants—21 per cent of earnings versus seven per cent. Half of all MPs do not qualify for any pension because they do not serve six years.

William J. Clarke,
Mr. Hansmeier Giesler (1972-1984),
Chairman, Commission to
Review Salaries of MPs,
Ottawa

The salaries, pensions and perks of our elected representatives must be examined—and quickly. And while it was refreshing to read about the simple honesty of Guy Saint-Jules, it was disconcerting to learn of the economy that has emanated from his colleagues. How can Bloc Quebecois House Leader Jean Lapierre think that he has earned the projected \$2.5 million in pension benefits from his 33 years of toil, some of which has been spent working towards the destruction of Canada? And what will Brian Mulroney reap for his ostensible contribution to the country, including his trials, the OIT, supercomputer job losses, and a swayed election? Here is a guy who has really earned his perks from the public trough.

Gordon Leggett,
Barrie, Ont.

Barbara Amiel

- Love her
- Hate her



Her column always seems to draw strong responses. But you have to admit, Barbara Amiel gets you thinking.

And that's a good way to get into an issue of *Maclean's*, Canada's Weekly Newsmagazine.

Maclean's

THE WELL-INFORMED CHOICE

We'd like to think that the best room in the house is now in the garage.



Few rooms can match the level of comfort and elegance available in the new Ford Aerostar.

Like a redesigned interior with uncommonly comfortable seats that cradle their occupants. Enough room to seat up to 7-passengers. So the whole family can stretch out in style. And a newly designed instrument panel that puts everything where you want it. Right at your fingertips.



You'll even have the comfort that comes with peace of mind. Because every Ford Aerostar comes complete with rear anti-lock brakes, a new driver's side air bag, and a 36-month/60,000 km bumper-to-bumper warranty.

Not to mention enough torque to tow a two ton boat up to the lake. And all the way back again.

Of course it seems a shame to keep such a beautiful room in the garage. But, we're certain it won't be there for long.



Quality is Job 1. It's working.



Aerostar

OPENING NOTES

Ottawa's space-age
phone bill, America's
royal election and the
tiger that lost its roar

A TOUCH BY SATELLITE

Among the high-tech equipment on display during last year's Gulf War was an idea with a low profile but a high impact: the portable satellite telephone system that communications giant AT&T used for live news reports from Baghdad for Atlanta-based Cable News Network. Compact enough to be stored in a suitcase, the SS6000AT (International Maritime Satellite) system is a portable, rugged, and easy-to-use mobile communications device with satellite, land, and space links, and an antenna. Mobile Telephony Inc. of Gaithersburg, Md., has reported a sales boom. Among what MTI lists as its "primary customers" for the instruments, which cost about \$60,000 apiece, are 38-a number to use the Clinton government. The federal agency has ordered 100 units for use by the military for field office and 20 remote command posts. Despite the bill of about \$2.5 million, plus call costs, which some sources say have been high, External Spokesman Guy Archibald says that "there are no other buyers in the same circumstances as situations of crisis, or perhaps that's the best time to buy them."

AT&T's mobile system is one of the Bell's solutions to track and teach soldiers.



The sound of muscle

Although most professional women spend several hours a day practicing, their fitness and dietary regimens are inclined to resemble Luciano Pavarotti's more closely than Arnold Schwarzenegger's. Calgary cellist Dorothy Bishop is determined to change that.

In a new book, *The Mission as Athlete*, Bishop argues that his athletes among missionaries to feed and exercise often

result is sagging, cartilage-damaging injuries, violent with bursts in their shoulders, elbows with sore thumbs and joints with effusion.

Bishop, 42, suffered for several weeks from a weakness in a tendon in the middle finger of her left hand, which she claims she corrected through exercise. That led to her interest in fitness, diet and herbal remedies. Says Bishop, "Even though musicians have developed muscles from playing, they need backup elsewhere in the body."

WORD FOR WORD



**Conclusions of the
Supreme Court of
Canada on April 14
on the David Milgaard
murder case**

The confirmed conviction of Milgaard would amount to a miscarriage of justice if an opportunity was not provided for a jury to consider the death evidence.

"It is therefore appropriate to recommend to the minister of justice that she set aside the correction and direct that a new trial be held.

"It would be open to the attorney general of Saskatchewan under the Criminal Code to enter a stay [no new trial] if that course were deemed appropriate in light of all the circumstances."

However if a stay is not entered, a new trial proceeds and a verdict of guilty is returned, then we would recommend that the minister of justice consider granting a conditional pardon to David Milgaard with respect to any sentence imposed.

THREE'S NO CROWD

The number of senior Canadian executives whose 1991 salaries were disclosed in documents filed last month with the U.S. Securities and Exchange Commission: 138

The number of those who are women is 3. They are

Barbara S. Ondrusek, vice-president of Edinboro-based **Chieftain International Inc.**, \$180,000

Julia Levy, interim president and chief executive officer of Quadra Logic Technologies Inc., Vancouver, 307.140

Elaine Roberts, president of Toronto-based Fishstock Water Holdings Inc., 8136454

Top executive salary disclosed the \$32,608,150 of Peter Munk, chairman of American Barrick Resources Corp., Toronto.

Karen Hornetti, president of the Canadian Association of Women Executives and Entrepreneurs, on the equality of female executives, 21 years after the royal commission report on the status of women: "People still tend to hire in their own image. My daughter will be a grandmother before things are more equitable."

ELVIS vs. ELVIS vs. 'ELVIS'

Voter turnout in the American Democratic primary elections is down sharply from previous presidential years—bad news for the party's front runner, Arkansas Gov. William Clinton, better known in his traveling press corps as "Slick." And now Clinton has received another bullet: that could leave his campaign all shook up, a report



But the U.S. Postal Service is winning with customers who prefer deals with an element in solving the late rock 'n' roll idol Elton John. Italian fans have been pouring into the U.S. to view the singer's home town of Memphis, Tenn. (up code 38104 2001). For a contest to decide which Elton album will adorn a new 29-cent stamp—the singer plans adding a new one with a last card on the album—Los Angeles is sprouting Los Vegas crooner to sponsors. Staid Cro-matic crooner, Charlene Dugood. "It shows when people have two clear choices they don't mind voting," says David Vane, an Elton fan. But the



Clinton, a computer oil stock spec

says that Canadians can register their Elvis choice on postcard or letter by April 24—"as long as they apply the correct international postage." In Canadian, that's 47 cents. But after all, it's a vote for the King.

Oops, wrong scoop

The cover of the left-wing London weekly *New Statesman* that appeared on April 8, before the results of that day's British general election were known, brands Tony Prime Minister John Major "Boswaddy's man." The story inside slugged "Is Boswaddy?" begins "So look, John, you're nice looking son-of-a-bitch, a privateer political animal for Major, who is fast colonelized soldiers and gaudy in holding off a Labour Party challenge and staying in power. But the *New Statesman* was one close among front-line publications in judging the wrong way. A front-page story based on exit polls and early returns in the April 8 first edition of *The Mail* took a second crack under the headline "Major's 'Boswaddy' man." The *New Statesman* was a little more trusting to "Boswaddy" than Parliament. Journal editors had to answer in a later edition that the *New Statesman* had no such intent. It was not intended to dwell on news stories for a full week.

A TIGER FOR THE TIMES?

Nostalgia is all the rage in B.C. commercials from a local radio host's "radio truck" to a local pillar of the rural food scene, country boy Murrie Windsor (portraying Kasey Gray) in *It's a Natural*. It's a natural, a step step is being back one of the affable ragers, the Kasey Gray (portrayed by almost 25 years in retirement). The original animated characters, which played the slogan, "Put a tiger in your tank," roared in Canada from 1955 until early in 1988. Birds welcome. Kasey's director of customer service and brand



PASSAGES



DIVORCING: Anna, the Princess Royal, and her husband of more than 18 years, Capt. Mark Phillips. The Royal Family was rocked last month because of the separation of Prince Andrew and his wife, Sarah (Fergie), the Duchess of York, in what is to have been a year of celebration marking Queen Elizabeth II's 60th anniversary as monarch. The Queen also faces the prospect of a royal divorce who was said to renege. Princess Anne is, as of July 4, has been separated from Philip for almost three years and has been linked romantically with royal suitor Timothy Laurence.

1986: Economist and former Liberal cabinet minister **Marcel Senechal**, 68, of cancer, at his Montreal home. Although a lifelong federalist, Senechal's strongly supported Quebecers' secession. He left politics in 1985, because, successful businessman and was vice-president of Consolidated Bathurst Inc. His widow is former governor general **Jeanne Senechal**. They married in 1944.

RETIRED: Former world champion on figure skates Midori Ito, 25, after she won a silver medal at the 1994 Winter Olympics in Albertville, France, losing to gold medalist American Kristi Yamaguchi. She publicly apologized to the Japanese people.

LUTHERANIZED: Legendary race horse Nipsesky IL 25, by a veterinarian at Clatsop Farm, Ky. The last horse to win the English Triple Crown, in 1903, had been suffering from phlebotomy, a circulatory disease. He was a son of Canadian-bred Northern Dancer.

MOSCOW.

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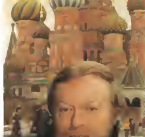
Last August 19 is a night Malcolm Gray will never forget!

As the coup in Moscow unfolded, he found that clambering atop a T-72 armored car was just the start of his adventure.

Standing in the crowd in front of the besieged parliament buildings, he watched Moscow's youth build barricades from commandeered city buses... waited for the rumored KGB "attack" that never came... and met heroes like the 23-year-old sergeant who convinced 10 armored personnel carriers to mutiny.

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COLUMN



Opposing free trade is like opposing gravity

BY DIANE FRANCIS

A fascinating new study by Toronto banker Wood Gundy Inc. debunks the myth that Canada is rapidly de-industrializing as a result of free trade with the United States. "Against broad-based official denouncements, manufacturing has maintained a 20-per-cent share of real gross domestic product in Canada since 1975, an almost identical proportion to the sector's size in the U.S. economy," wrote Wood Gundy's chief economist, Jeffrey Rubin, in an April study entitled "Is Canada De-industrializing?" The current manufacturing slump is due mostly to the recession, poor sales and shifting bottom commodity prices worldwide, according to other sources, including the Canadian Manufacturers' Association.

Wood Gundy's Rubin points out that the long-term trend is to produce more manufactured products with fewer, more highly paid and skilled workers. (The trend is under way in all of the other G-7 countries: the United States, Germany, Japan, Italy, France and Britain.) About 15 per cent of Canadians by 1999 worked in the manufacturing sector, compared with 23.5 per cent in 1964.

Interestingly, the U.S. decline has been slightly larger during the same period, decreasing to 15.8 per cent from 25.6 per cent. "Even Germany and Japan, renowned for the strength of their manufacturing industries, have undergone similar although not as pronounced trends," wrote Rubin. "In Germany, manufacturing employment has actually shrunk by one million since peaking at 30 per cent of the workforce in 1970. In Japan, the level of manufacturing also has risen, but its relative share to total employment (32 per cent) is lower today than in the mid-1970s."

Rubin wrote that although the G-7 as a whole has lost global market share to newly industrialized countries, Canada has maintained market share relative to G-7 trading partners. Canada's share of the G-7 total manufacturing exports was 5.3 per cent in 1990, compared with five per cent in 1975. But the

A world government is frightening, but it is also the only way mankind can solve its two biggest problems: poverty and pollution

bottom line is, whether it involves shoes or calculators or cars, manufacturing continues to shift to poor countries from rich ones. It is a trend that began in earnest after the Second World War, and represents the greatest redistribution of wealth in history. Some may argue that the rich are merely getting richer. There is no doubt that many of the same participants are plugging even more wealth and redistribution is far from balanced. However, mass workers and small suppliers in low-labor-cost countries have jobs and businesses based on exports have ever better, and living standardsudge upwards.

The process sprang out of the war effort when some Allied nations dropped tariff barriers toward one another and underwent the first rationalization, or restructuring, of their manufacturing to make weapons cheaply and efficiently. Plants were built in one country, wheels in another, airplanes engines in a third country. That overcame the colonial, or mercantilist, tariff barrier system of the past, which denied consumers the best products at the lowest prices. Before the war ended, the argument, modified by British economist John Maynard Keynes and American economist

secretary to the treasury Harry Dexter White, was inflated by Allied leaders in 1944 in Bretton Woods, N.H., during a conference chaired by Louis Brandeis, later the governor of the Bank of Canada.

The 44 Allies agreed to expand their open-border policy and began the process that eventually led to GATT, or the General Agreement on Tariffs and Trade, which encompasses the world's economic constitution. GATT has brought about a dramatic decline in tariffs, and now 183 countries belong to the global economy. The liberalization of trade benefited Canada, in particular, with its resource base and tiny population—too small to sustain manufacturing growth.

As the world's economies aggregate, a new political world order develops. The G-7 represents a step towards a global government. The seven economies comprise nearly two-thirds of the world's gross national product and control like the world's cabinet, making decisions about currencies, monetary policies and foreign aid that affect everyone. The G-7 even supersedes the United Nations. As an example of the shift of power is the fact that President George Bush would pledge support from his G-7 partners for the Gulf War initiative, then had to rubber-stamp by the UN to garner support from other allies.

The thought of a world government is frightening, as we live, but represents the only way mankind can solve its two biggest problems: poverty and pollution. The rich must open up markets to help the poor. The rich must also help poor countries clean up environmental messes and must try to help them grow richer without generating the environment.

The growing liberalization of trade worldwide is not inevitable because of enhanced expectations. Goods to the new nations littered around the world watch television and see the lavish lifestyle of those in the rich countries and want it. As well, mass migration is under way, with millions of economic refugees illegally crossing borders to gain a better lifestyle. That movement was described as a plague by thousands of East Germans at the Berlin Wall two years ago, before it was torn down. They said "Pörs die deutsche Nacht in East Germany or the East Germans will go to the devil's mark." Paradoxically, to keep East Germans at home, the government had to order the wall torn down immediately whenever signs leading to confusion.

Similarly, the United States must open its market to Mexico to provide a way for Mexicans to remain in homes and make a living, rather than seek across the border. The choice for rich countries is simple: accept the products or the people from poor countries. That is why opposing free trade is like opposing gravity. All Canadians and our policymakers owe it to open our markets to others, seek market for our goods and services and start to Canadian wealth creation through incentives, competitive taxes and goal-oriented systems. Those who resist and refuse realize a giant free trade era is directly opposite because they are letting old King Canadas trying to win to order an end to the tide.

LOCAL CRISES

**MUNICIPALITIES
ACROSS CANADA
ARE DEALING WITH
A CASH SHORTAGE
BY SLASHING
THEIR SERVICES**

Since Jessica Peroff's biggest lesson was spent at nursery school, parents and learning with her friends. When she is in the right mood, the brown-eyed, three-year-old proudly demonstrates her newly acquired knowledge by reciting the alphabet and counting to 30. Her father, Brian Peroff, says that Jessica has been looking forward to attending junior kindergarten next fall at nearby Burnwood Public School, as her sister, five-year-old Kathleen, did last year. But two weeks ago, the cash-starved local school board in the Toronto suburb of Mississauga voted to cancel its entire junior kindergarten program—a sign of the growing financial crunch that is playing havoc with municipal budgets from St. John's to Victoria. Last week, 200 people rallied outside the school board's offices to protest the cutback, which will affect about 6,000 young children. "I realize every one is short of money, but the kids have a lot in junior kindergarten," says Peroff, a radio announcer. "I really believe that the more schooling you get, the better it is."

Across Canada, the squeeze on municipal budgets is becoming tighter as elected leaders govern in a U-turn and the provinces cut their spending on education, welfare and other services—and shift more of the financial burden onto municipal treasuries. As a result, officials in many towns and cities say that they can no longer afford to deliver the full range of services that residents in their communities have long taken for granted. In January, Saskatoon refused winter garbage pickup to save every two weeks from once a week. In Metropolitan Toronto, local politicians have cancelled subsidies for 700 day care spaces, resulting in the impending layoffs of several hundred workers. And in Dorchester, N.S., Mayor John

Peroff with daughter Jessica: the financial crunch is hurting schools



Severin says that he and his fellow councillors have been forced to approve a wide range of cutbacks. Added Severin: "There will be fewer officers, less frequent snow-clearing, and some people will be reassigned or laid off, including police and firemen."

The current round of spending reductions has done much more than eliminate fat from municipal budgets. Doreen Quirk, president of the Ottawa-based Federation of Canadian Municipalities, which represents 300 cities and towns across Canada, says that many cash-poor communities can no longer afford to repair or replace aging facilities like bridges, sewers and roads. On April 6, Quirk met three MPs from the federal political party to outline her organization's plan to pump \$1.5 billion into the repair and construction of municipal projects last April. "It is easy to let a road deteriorate, because it cannot come into a council meeting and scream at you. But if we are going to remain competitive in our cities, we need to maintain the infrastructure of our cities."

The two-year-old recession has clearly aggravated the budgetary difficulties faced by local governments, restraining tax increases at a time when more and more funds are needed to finance the growing welfare rolls that the underlying problem, municipal officials say, is that the federal government has repeatedly tried to limit the growth of the \$650-billion national debt by cutting back on the money it gives to the provinces. In the 1985-1986 fiscal year, Ottawa transferred 38 per cent of all federal revenues, or \$21.5 billion, to the provinces; in contrast, estimates to the provinces in

the 1990-1991 fiscal year will account for only 30.4 per cent of total federal revenues, or \$24.8 billion.

Across the country, provincial governments have responded in kind, leaving the actual growth in their contributions to municipalities for core services ranging from public transport to sewer construction. Indeed, Dartmouth's Severin says that municipalities in Nova Scotia have not received an increase in provincial transfers since 1990. And in Saskatchewan, where the province's recently elected new government is attempting to slash about \$300 million from its projected spending this year, local governments have had to live with a 10 per cent cut in provincial transfers for a wide range of municipal programs. Complained Saskatoon Mayor Henry Daykin: "The federal government created a deficit and then passed it down to the provinces. They, in turn, are passing it on to us."

In their own defence, Prime Minister Brian Mulroney's Conservatives say that they are simply trying to ensure that the burden of fiscal restraint is shared equally among all levels of government. But some senior Tories say that they feel there is also a philosophical reason why they have cut back transfers to other levels of government. They argue that taxpayers gain a false sense of the cost of public programs when services are provided by one level of government with revenues raised by another. Forcing local politicians to come up with the funds necessary to pay for the services they provide, the Tories say, will help to make voters more acutely aware of the limitations of government—and of the hard choices that have to be made between the public demand for lower taxes and the equally fervent call for improved government services.

This year's round of provincial budgets is certain to exacerbate the financial crunch at the local level. In British Columbia last month, the provincial government cancelled a major municipal grant that had been used to offset the cost of education at the community level. As a result, local administrators will have to raise about \$90 million in new revenues from the property taxpayers throughout the province. Says Vancouver Mayor Gordon Campbell:

"The provincial government is not keeping its words in law. They are protecting themselves by passing their costs on to property owners. In nearby Victoria, meanwhile, city councillors have responded to the provincial cutback by slashing \$450,000 from the \$3.2-million budget to maintain and repair municipal buildings. Still City Manager Colin Craig, 57, is like keeping a car up. If you give the maintenance, snow or water it's going to stop running."

Although the Ontario budget will not be tabled until April 24, the province has already notified municipal politicians that they can expect, at best, a one-per-cent increase in funding this year. The tax revolt of municipalities will likely apply to Ontario hospitals and universities. So far, only Alberta has introduced a program aimed specifically at helping municipalities. That province's budget, tabled last week, contained \$300 million in special capital

National Notes

SEXUAL ABUSE AND CHILDREN

Douglas Koenig, 51, the superintendent of the now-closed Christian Brothers Mostar Child asphylaxis in St. John's, Nfld., from 1971 to 1978, was sentenced to five years in prison after his conviction for indecent assault against former residents of the asphylaxis. Right after his arrest, he also been convicted of sex crimes committed at Mount Carleton, Miramichi, Father Louis Laramie took the witness in his own defence to deny charges that he physically or sexually abused residents of Regina's Bosco House for troubled youth, which he founded in 1971. Laramie, 59, who was the Order of Canada in 1983, facing 11 sexually-related charges, among them use of sexual assault and acts of indecent assault.

YES TO BILINGUALISM

Residents of the Mount St. Vincent of Rosemead voted four to one in a referendum to keep their own French language. Rosemead, a small town in Quebec's French-only language laws because the majority of its population was once francophone. But its francophone population is now more than 65 per cent—and Quebec legislators, anxious to keep trying to revitalize the community's officially bilingual status.

ANXIOUS MOMENTS

No one was injured when a two-engine plane carrying New Brunswick Premier Frank McKenna and two pilots made an emergency belly landing at Fredericton airport. The plane had circled the provincial capital for two hours to prepare for the emergency landing because of thick landing fog. Declared McKenna: "It was awful—no doubt about that."

DOXIN WARNING

Deaths in the Great Lakes are becoming an ever-growing health hazard to both humans and animals, according to a report by the U.S. Environmental Protection Agency. The EPA said that since 1960, the number of deaths of animals has been linked to animal abnormalities in wildlife and costs of damage to the human immune and reproductive systems in the Great Lakes area.

MCDONNELL SAYS NO

Extremist Affairs Minister Barbara McDougall has rejected family plans to ask Donald Trump to fund a Canadian current by leaving 58-year sentences for the 1989 kidnapping of a British businessman. The families of Christian Lambert of Langley, B.C., and David Spencer of Moncton, N.B., insist that they were railroaded by the Canadian justice system.



Constitutional Affairs Minister Jean Chrétien and Prime Minister Brian Mulroney appeared to accept opposite positions last week in dealing with national unity issues. After a heated provincial meeting in Ottawa last week, Chrétien reported that he is optimistic that an agreement will be reached by early June. However, on a campaign-style swing through Toronto, Mulroney threatened to call a national referendum if the negotiations fail. In other developments:

- Justice Minister Robert Mulroney announced plans to visit the four western provinces from May 4 to 7 to discuss constitutional issues.
- Alberta Judge Kenneth McEwen, Minister James Harcourt said that Edmonton will apply for less power in a new Senate if each province gets an equal number of representatives in the chamber.

QUOTE OF THE WEEK

"We don't want another House of Commons. We have one and that's enough!"
—Quoted Judge Kenneth McEwen, Alberta Judge Kenneth McEwen, on prospects to give the Senate more power

tal-media grants for cities and towns.

In Ottawa, Kingston Mayor Helen Cooper, who is also president of the province's 40th member Association of Municipalities, says that the funding sequence is being governed by the fact that provincial governments have arbitrarily transferred responsibility to municipalities for some services (the one thing she said, Chisholm now expects local governments to pick up the tab for security guards in courthouses—a responsibility previously shouldered by the province. Another area of controversy is education. According to the Post Board of Education, which administers the school that Jessica Penfold was in at Kingston, the province's share of funding for education at the elementary and secondary levels has dropped sharply in the past decade, to 34 per cent in 1993 from 34.3 per cent in 1982. Most of the rest of the money is raised through property taxes.

To bring its own costs into line, Peel Board of Education chairman William Kent says, the board had no choice but to cut junior kindergarten classes. The action is expected to save \$3.9 million during the 1993-1994 school year from a total budget of more than \$600 million. Designed for three- and four-year-olds, Ontario's junior kindergarten program began in 1988. Its objective is to introduce preschool children to the classroom, making smoother the transition to what education now calls "senior kindergarten." Currently, 136 of the province's 300 public school boards offer junior kindergarten, but dozens of boards across the province now are considering whether to drop the program. Peel Board vice-chairman Barry Ford: "A number of boards are looking at cancelling non-mandatory programs to help pay for the programs that are mandated by the province. They are watching the situation in Peel very closely." For his part, Kent says that the board had already cut back an administration and insurance activities designed to enrich regular education programs, and that it was reluctant to cut further. He added, "We've made devastating cuts in administration. The province cannot expect all of its financial problems to be the municipalities'."

In Metropolitan Toronto, the country's largest municipal jurisdiction with 3.1 million residents and a budget this year of \$3.2 billion, the debate about service cutbacks and tax increases has overshadowed virtually all other local issues. The region, which includes the city of Toronto and five surrounding communities, has been told to expect a one-per-cent increase in unconditional provincial funding for 1993, equal to \$1.4 million, and that to cope with an anticipated wildfire last year of close to \$1 billion—of which \$147 million will come from property taxes—the region could be proposing to raise local tax on rates by 14.7 per cent.

Metco Councilor Scott Cavilley, who favors deep cuts in local spending to make the most of the tax increase, says that virtually every program, from community health care to recreation, should be subjected to a strict budget review. Says Cavilley: "We have to define what level of service we want and how we can deliver

CUTTING CLOSE TO THE BONE IN SASKATOON

The picturesque South Saskatchewan River, which cuts through downtown Saskatoon and provides a recreational base for water-skiers and canoeists, may soon be one of the few amenities immune from that city's ruthless budget cutters. This year, provincial funding to the city will drop by 15 per cent—to just \$182,096. To keep down Saskatoon's 1992 property tax increase, which has been set at 1.6 per cent, city council curtailed parks maintenance, street paving and even extending paid hours. The city's renowned Mosaic Art Gallery has cut back programs, among them touring exhibits. The most dramatic action of all on Jan. 1, the city reduced winter garbage pickup to once every two weeks from once a week. Declared Mayor Henry Daykin: "We have to do more with less."



it. I think we should be looking at leasing service in some areas." He adds, "Fortunately every person I talk to says that they can't afford this tax increase. And we'll have to lay off several hundred workers—some of them have been with us for years."

If current trends continue, Kingston's Cooper says, municipal politicians will be forced to choose major agency transfers to a city-proposed system of funding local services. Kingston is still studying the river city approach to help fund the construction of a new sewage treatment plant. Currently, local homeowners pay a water tax of about \$20 a month, a fee that is likely to rise to about \$60 a month by the time the

facility is completed in two years. Explains Cooper: "We were not getting any money from the provincial government. So we had to charge homeowners not only for the water they use, but once they had used it, we had to charge them to clean it up."

The city of Leithbridge, Alta., has also adopted a user-pay approach to help alleviate its financial problems. That deputy mayor John Bunn: "We used to subsidize the drainage and maintenance of graves, but now our citizens have to pay about \$1,000 for the service." In a further effort to save money, local politicians have cut the city's 600-strong workforce by 59 positions. And under a new pay-by-weight system

for the city, no longer borrow money to finance routine capital projects, such as paving. Instead, city officials plan to undertake such projects only when they have raised the necessary money in taxes.

But none of those measures addresses what many municipal officials say is the root cause of their problems: the use of property taxes to fund a growing range of services that they were never intended to support. Ontario Mayor Joseph Holman, for one, says that property taxes were introduced originally to finance the maintenance and construction of municipal infrastructure, to provide police and fire services and to pay part of the cost of elementary and

secondary education. But because the province has reduced their own share of funding for such big-ticket items as education and welfare, the tax burden on individual homeowners has increased. Says Holman: "Instead of dealing with income redistribution at the federal and provincial level, they seem to be backing it onto property taxes. I don't believe that we should be doing that at all."

For her part, Quirk says that she hopes the federal government will move ahead with her national infrastructure plan to finance construction of new roads and bridges. Under the plan, each of the three levels of government would contribute \$1 billion a year for five years,

A TAX HOLIDAY IN ANTIGONISH

It sounds too good to be true—a one-year moratorium on property taxes. But with the town council of Antigonish, N.S., now considering such a measure, the community's 5,200 residents may soon be enjoying that luxury—largely as a result of the foreboding at long-serving Mayor Colin Chisholm, 74. In the early 1970s, the provincially owned Nova Scotia Power Corp. tried to buy the town's power utility, which Chisholm says was then "in bad shape." The mayor refused, and instead concentrated on increasing the overall town's profitability. Now, the Town of Antigonish Electric Utility generates about two-thirds of the town's revenues, enabling the municipality to continue offering services without underfunding the cutbacks experienced by other communities. The town has even accumulated a surplus of \$5 million, and Chisholm says that Antigonish intends to have \$10 million in the bank by the year 2000. Hails the mayor: "You have to have a plan."

BRAMPTON'S SHUTDOWN?

Last month, while officials in Brampton, Ont., announced that in an effort to save money they will shut down the local bus service for nine days in the summer unless transit workers agree to pay reductions, Elizabeth Clarke, 44, promptly bought a car. "I can't figure out where our tax money is going," declared the confident manager at a local stationary store. "And now I'm in debt." But the Toronto-area community of 235,000 is wrestling with the fact that it will receive only \$35,000 more from the Ontario government this year than it did in 1991. Brampton has frozen wages, cut its paving program and cancelled other services. Says Mayor Peter Robertson: "There is a deterioration in the spirit of the community when you can't deliver programs properly."



preventing a total of \$15 billion for capital projects. But Finance Minister Donald Mazankowski has declined to endorse the proposal. Indeed, the federal government has considered and rejected similar recommendations on many occasions in the past five years. Nor does it seem likely that Ottawa and the provinces will soon volunteer to shoulder a greater share of the cost of local services. As a result, municipal politicians warn the potboiler will become deeper, more budgets will rot, and children like Jessica Penfold may enter a much poorer school system.

TOM FENWELL

A western shootout

The Reform party plans to unseat Joe Clark

How unlikely a past leader of the Reform party, Joe Clark, is, is powered by an apparently unshakable conviction that he will capture the sprawling Alberta riding of Yellowhead in the next federal election—and extend the incumbent, Conservative Minister Joe Clark. "It's not if I win," he states. "Yellowhead is my church, my parish, with the back that one lives the place of his left hand, but in a farming accident 15 years ago. The former high school teacher, now a grain farmer near Okotoks, 46 km northwest of Edmonton, is politically a redneck cowboy in Yellowhead, a riding of 53,000 square miles that stretches from just west of the provincial capital to the B.C. border. Clark has represented the seat for 26 years and is one of Prime Minister Brian Mulroney's most respected cabinet ministers—as well as a former peace minister. But Yellowhead claims that the voice of the Conservative seat in Alberta will carry him to victory in the next election, expected in the spring of 1993. "We had such great prospects that the West would get a fair shake under the Tories," he says. "It didn't happen."

The sense of disappointment expressed by Yellowhead himself—a former Tory and is a founding member of the Reform party, is shared by others in Yellowhead. Said a truck driver in Peace, 150 km west of Edmonton: "Clark had 26 years. I hope he enjoyed it—there won't be more." In fact, recent opinion polls indicate that Clark is one of the most popular federal Tories in the entire country. It is in provinces in which the Conservatives were once considered unshakable, Reform now is the favored federal party. According to an Angus Reid Group survey released on March 11, Reform enjoys 44 per cent support among Albertans—with the Liberals in distant second place at 21 per cent and the Tories in third at 15 per cent. Clark has yet to say if he will stand for re-election last week he said: "I've decided in 1972 and I'm not. I haven't made a decision." If Clark does run, though, he—along with the 22 other members of the federal Tories—Alberta caucus—clearly have an uphill battle in the coming campaign. Declared former Tory and now Reform party worker Mark Smith, 32, a high school teacher in Yorkton, 95 km northwest of Edmonton: "We are riding a wave of discontent—and we are going to get Joe Clark out next time."

Clark's opponents cite a long list of grievances against their MP. High on the list is the

member's widely publicized absenteeism—largely a result of his demanding schedule during eight years as a key member of the Mulroney cabinet, first as external affairs minister and since April, 1991, as the central figure in the Conservative renewal campaign. Declared Chris Lauchlan, manager of the Whitecourt Inn in Whitecourt, 150 km northwest of Edmonton: "I am still a Conservative, but people are looking for more than quick visits."

Clark's support of district society status for

Leader Preston Manning. In fact, Clark was hardly with 17,847 votes compared with Manning's second-place 11,207. "People knew Joe," confessed Trevor Nickerson of Jasper, a vice-president of Alberta's Yellowhead constituency association. "He is a tough opponent, and Reform has a lot of work to do."

As well, some Yellowhead analysts say that Clark's absenteeism will have little impact with voters. Noted Paul Edley, publisher and editor of the weekly Grande Cache Messenger in Grande Cache, 90 km from the B.C. border in the northwest corner of the riding: "Joe maintains a strong presence without being here. His office is readily available." Others claim that Clark's efforts to stay from his riding on behalf of his own party have helped him retain his seat. Said David Reynolds, 28, editor of the weekly Jasper Journal: "He is in the news—a constitutional success will be his own points."



Yellowhead: hoping to ride a wave of western discontent into the House of Commons

Quebec, as well as his expressed unwillingness to endorse a so-called Trillia E. Senate—electoral, equal and effective—have also clearly angered many Albertans. James Hanania, anti-government affairs minister in Alberta's conservative government, recently warned Clark about the dangers of what he described as ignoring his constituents' wishes: "You are not going to be re-elected if you don't listen to what Albertans are saying." Hanania told Clark at a public meeting at provincial Tories last month.

But the anti-Clark, pro-Reform sentiment among Yellowhead's 85,000 residents is far from unanimous. Says Glen Egan of Peace, co-owner of Egan Brothers Construction Ltd.: "You may not like Clark all that much, but you like the others less." And some people point out that Clark has avoided similar challenges in the past. During the 1988 election campaign, many analysts predicted electoral catastrophe for the candidate, then running against Reform

In fact, some Yellowhead residents say that the Reform party's popularity may already have peaked. Declared Harold Switzer, a pharmacist in Edson, 150 km west of Edmonton: "There is a lot of talk in the Reform party. It doesn't seem to be stirring around as much lately." And some Yellowhead localities point to another possible straw in the wind: the apparent lack of interest in books about Reform, especially *Art of Park*, a recent history of the party. Said Jasper bookstore owner Kevin Crawford, who returned his order of *Art of Park*, which went unsold: "I hear very little about Reform." Added another bookseller in Yellowhead: "I don't see any impact here by the party." That reassurance may be premature, that it may also indicate that, while Clark and other Alberta Tories clearly face a tough fight in the coming campaign, Reformers are unlikely to find victory handed to them as a silver platter.

JOHN BOWSE is in Jasper

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1. United Nations, International Narcotics Control Board 1990.
2. Independent research cited in 1991.
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WORLD

RUSSIAN ROULETTE

It was clear that Mihail Gorbachev used to play skillfully—a progressive leader outmaneuvering hard-line conservative opponents. And last week, Russian President Boris Yeltsin showed that he, too, was adept at his old man's game. After a brazen confrontation with critics of his government's economic reforms during a session of the national parliament, the Chairman of Russia's Duma, the 63-year-old Siberian emerged with his presidential powers intact. Yeltsin did so by evoking one of Gorbachev's favorite tactics: claiming that getting critical Western aid depended on continuing his policies to move the country to a free-market economy. In

**BORIS YELTSIN
TAKES A PAGE
FROM MIKHAIL
GORBACHEV'S BOOK
AND STARES DOWN
HARD-LINE FOES**

diomatic warning to the congress, *Oppos* prime minister Yegor Gaidar, a liberal and deftly played the government's Western card. Any deviation from the tough economic machine of price increases would cause Western countries to withdraw a promised aid package worth \$28 billion, warned the 36-year-old economist. "And Russia," added Gaidar, "would be pushed back into isolation."

Western support for free-market reforms is clearly one of Yeltsin's greatest assets in the running contest with his conservative opponents. The forces against him, inaction and loosely organized, chose the latest session of the 1,600-member congress to make the

most recent stand. The newly instituted is a hold-over from the Communists era. And while it only meets a few days each year, it is still Khrushchev's top legislative authority—and one that is narrowly dominated by conservatives. The prospect that the Russian government might fall swayed attention on the Kremlin last week. But after the raucous two-week session at the Khrushchev's Great Hall, the anti-Yeltsin forces failed to achieve their primary goal to gain some control over his program of economic shock therapy.

Clearly, there is widespread agreement among Russians that the crumbling, state-directed economy urgently needs reform. But Yeltsin's critics, who range from conservative hard-liners to a former ally, congress chairman Ruslan Khasbulatov, argue that the Gaidar-led team of Western-oriented

that called for Etilim to resign from one of his posts, acting prime minister, and appoint a successor within three months.

The resolution touched off a constitutional crisis—and explosive reactions in the Great Hall. Although stepping down as an elected member would have been to reject the principle of free elections, it would strip his authority to rule by decree. Telbis's enemies responded to their challenge with a dramatic ambush, by submitting their resignation. Chief Khazanchi's high-handedness in a crisis when he refused to cede matters to "foes who had lost their heads." Definitely, 12 members were among the first two rows of the assembly, and were not sitting out of the assembly.

over his opponents. Despite some mysterious absences over the past few months and a painful complexion that raise occasional doubts about the state of his health, Yeltsin remains the most popular politician in the country. Russian citizens have suffered severe hardships because of price increases resulting from the removal of state controls in January. Still, in April a poll of 1,000 Moscovites revealed that 69 per cent of respondents wanted Yeltsin's government to remain in office and continue its reforms.

The congress, by contrast, appears to be increasingly out of step with current popular sentiment. The same poll showed that only 28 per cent of the Massachusetts-questioned believe that the congress represented the public. And in the crucial atmosphere of the Great Hall last week, many delegates revealed a preference for the old order and the vanished arms. Some of them complained that Bolton's reforms had impinged with tradition in the Great Hall by dropping the tradition that a woman is elected to the position of Warden. Tradition is a great belief, the Speaker said. And a majority of delegates voted twice to reject the results of a 1991 referendum that changed the name of Illinois's second-largest city from Lemington back to St. Petersburg. Only after 181 deputes from the city walked out of the hall in protest was the resolution reversed.

In similar fashion, a majority of delegates truly approved the comprehensive "Declaration of support of economic reforms." But although Yelovs interpreted the outcome as a mandate to press ahead, he did make some concessions to his critics. He has delayed raising Russia's artificially low energy prices after farm workers protested that they would not be able to fuel their tractors during the spring planting season. As a result, low grain prices will still be available at overcrowded feeding stations during the next five months (see table). And some cash-strapped industries will get 200 billion rubles in grants—a concession that will undermine attempts to apply structural spending controls.



World Notes

FEAR IN AFGHANISTAN

The ruling Watan (Homeland) party ousted Afghan President Najibullah in a guerrilla take-over, advanced on Kabul, the capital. The uncertainty threatened the launch of a United Nations plan to end the country's 14-year civil war by setting up a transitional council leading to a interim government and democratic elections.

TA BÓSTVACH E BETA

The sanctions against Libya went into effect on April 15, requiring countries to sever all links with the nation and to restrict the use of its diplomatic missions. The sanctions arose as a result of Libya's refusal to hand over for trial two men wanted by the United States and Britain for the 1986 bombing of Pan Am Flight 103 over Lockerbie, Scotland, which killed 270 people.

KIMMEL-DOWE HONORS CHURCH

Ned Keene resigned as leader of Britain's Labour Party four days after a general election in which he was unable to wrest power from John Major's Conservatives. Labour's finance spokesman, John Smith, 53, and left-wingers Bryan Gould, also 53, and Ken Livingston, 46, quickly announced that they will attempt to succeed him.

PAUL LUTHER AGON

The Organization of American States condemned Peruvian President Alberto Fujimori for *abducting* the country's congress on April 5, and announced that it will send a diplomatic mission to Lima to promote dialogue between the president and members of congress. External Affairs Minister Barbara McDougall said that Canada is concerned as Peru's in-

STEPPING UP PRECAUTIONS

Canadian officials told Marlowe's that Canada and the United States will push a wider trade sanctions against Haiti, including a possible naval blockade to prevent other nations from violating an embargo. The officials said that at least six ships have broken sanctions against trading with the military-ruled island nation.

A FALL FROM GRACE

Winnie Mandela resigned as head of the African National Congress's social welfare department two days after her husband, ANC President Nelson Mandela, announced that they were separating after 33 years of marriage. Recent reports have implicated Winnie Mandela, who is appealing a 1991 conviction for kidnapping and accessory to assault, in the 1989 killings of two anti-apartheid activists.

History's tinderbox

Tiny Kaliningrad alarms its neighbors

The Cold War struggle of the Soviet Union as armed, dangerous and secretive begins on in Belyuk, a military-run port on the Baltic Sea. It is Russia's most westerly community, a picturesque city of 50,000 people located 640 km west of Moscow proper in the geographic recesses of Kaliningrad. Belyuk is also the home of Russia's powerful 14th Army Baltic Sea Fleet, a presence that has kept the city largely closed to visitors since 1945. But with the end of the Cold War, Belyuk is trying to reclaim its seaport status and develop a new tourism—as a port of call for tourists. On a cool April afternoon on the city's waterfront, visitors could see the *Pravoslav*, a 3,000-ton Swedish ferry that normally shuttles between Gdynia, Poland, and Karlskrona in Sweden, dock on its weekly call at Belyuk. The ferry refueled there before heading to Moscow and St. Petersburg bound for freight trucks and tourist buses, an acronym right in a port where destroyers with outdated Soviet hammer-and-sickles emblems on their masts could be seen.

The opening of Kaliningrad to foreign markets is a clear sign of post-Cold War attempts to diversify the local economy beyond its role as strategic supply base in a grand state. Russia's shrinking defense budgets have forced local residents to seek business ventures with foreigners. "Money is a big problem now for the military forces," said Yury Golovin, 35, a naval commander who earns 3,000 rubles per month (about \$10) after 12 years of service. "Captains charge less than sergeants make less than lieutenants make less than majors."

But in the Baltic, where history leaves a legacy of wariness, Kaliningrad's status as the Russian republic's most heavily militarized autonomous region continues to attract attention. In 1940, the Red Army occupied Estonia, Latvia and Lithuania after the Soviet Union annexed these countries into allowing it to establish military bases within their borders. And the presence in Kaliningrad of nearly 500,000 soldiers, sailors and airmen serving in the Baltic fleet, several tank divisions and a huge air defense force is nerve-racking for neighbors on both sides. Kaliningrad's military

concentration is larger than the entire Polish army, making it a constant source of tension. Poles and, especially, Lithuanians, who are sandwiched between Kaliningrad and the country of Belarus, part of the new Commonwealth of Independent States (CIS), Baltic state leaders have called for the speedy withdrawal of Russian Soviet forces from their territory, as well as from Kaliningrad.

So far, the Russians have brazenly reported demands to abandon Kaliningrad. In an interview with the armed forces newspaper *Sovetskii Soldat* (Soviet Soldier) during a visit to Kaliningrad in March 30, Marshal Voronov-Spasskiy, the city defense minister, said "It is not a concern of other countries what kind of armed forces we have here. I think there will continue to be troops in this unit" that at need of an economic boost, Moscow has given the Kaliningrad republic the go-ahead to try to

break its economic base beyond its dependence on the military.

That will be a difficult endeavor. Roughly 30 times the size of Prince Edward Island, the area is still abated with restricted utilities. But, stripped of its military infrastructure, Kaliningrad is a poor, undeveloped region with some of the most pressing problems of post-Soviet life. As well as the urgent need to convert a deindustrialized economy to civilian purposes, there is friction with Lithuania over the ill-defined border between it and Kaliningrad. Said Grigor Purnas, an adviser to Kaliningrad regional director Yury Matukhin: "We have at least 30 roads crossing the border, but only one has customs checkpoints. That was not really as important when we were all citizens of one country, but now Lithuania's come over the border to buy so many goods—and we go there when there are shortages here."

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month-long blockade because the Russians could not close the pipeline to Lithuania without also depriving Kaliningrad of fuel. Similarly, Kaliningrad receives its electricity from Chernobyl-type reactors at Ignalina, a nuclear power station in Lithuania that is staffed by Russian technicians. Kaliningrad is still dependent) that every source despite warnings last winter from Lithuanian authorities that they might turn off the reactor's lights unless the cash-strapped region paid an 180-million-ruble (\$1 million) power bill.

Kaliningrad eventually came up with the money, but local authorities say that only radical economic restructuring will allow them to escape a hand-to-mouth existence. At the center of these issues is a Moscow-approved plan to establish Kaliningrad as a free economic zone. There, any arms boosters, foreign businesses will flourish in an environment of special tax breaks and unrestricted trade with Eastern and Western countries. Yury Golenko, the deputy mayor of the city of Kaliningrad, a community that is home to half the region's population of 800,000 people, argues that such a concession from Moscow is long overdue. Said Golenko: "Apart from money spent on the military, the former Soviet government has spent almost nothing on the Kaliningrad region during the past 30 years."

Kaliningrad residents also worry about persistent rumors that Moscow plans to move 200,000 ethnic Germans, now scattered across Russia, into their region. The reports spread from questions surrounding the fate of the Russian Soviet Union's nearly two million ethnic Germans, many eager to return to their homeland. Russia's Germans have a particular

preference. Their ancestors settled along the Lower Volga River beginning in 1764, but after Nazi armies invaded Russia in 1941, Stalin dispatched their descendants to settle in remote parts of Central Asia. Now, representatives of that community are urging Russian President Boris Yeltsin to rectify Stalin's injustices by restoring their right to resettle in the Volga.

There has supported that proposal in hopes that it would reduce the number of Russian Germans who are seeking to emigrate to their ancestral homelands in Germany. But the move has been opposed by the Russians who live along the Volga. And the prospect of resettling the Germans in Kaliningrad stirred is widely rumored to be the secret motive behind the nation's actions.

Kaliningrad does have German roots of its own. Until 1945, the region was part of East Prussia, and Kaliningrad city, then known as Königsberg, was its capital and served as the corridor into the Prussian lands. When the Red Army captured the city in 1945 after a 30-day siege, the 42,000 Germans who had not escaped the Soviet encirclement were promptly shot or sent to distant prison camps.

Kaliningrad's regional director Mamonov has repeatedly denied that there are any plans to create another German region around Kaliningrad City, which still has a sizable Soviet soldier Vladimir Lenin in its central Victory Square (formerly Adolf Hitler Square),

However, while stating that the region is too small to absorb large numbers of returned emigrants, Mamonov has been careful to avoid offending German Chancellor Helmut Kohl, who is an enthusiastic cheerleader for an economic revival in Kaliningrad. Mamonov has suggested that local officials, ethnic Germans and potential foreign investors should all meet to discuss any resettlement program.

Certainly, there is little German now spoken in the streets of Kaliningrad City, except by

many of the city's residents. But only in a red-brick, modern shell that stands in parkland ringed by gray Soviet apartment blocks. That contrast, between the city's newly obliterated past and its present incarnation in crumbling concrete, is best caught by its citizens' wary observation about German visitors: they come to see Königsberg and have to settle for Kaliningrad.

About 10 km to the west, along a narrow highway bordered with lime trees, Belyuk also has traces of the time when Germans warships were moored as what was then the port of Pillau. It was from Pillau in January 1943, that several German soldiers and civilians fleeing the Red Army advance crowded aboard the steamship Wilhelm Gustloff.

A torpedo from a Soviet submarine struck the ship on its desperate retreat along the Baltic coast, and it went down with about 7,000 people, giving-battle's greatest maritime loss.

Now, the town's rulers are pursuing a western-style renaissance from selling old travel souvenirs abroad for scrap metal to developing the area's tourist potential. To achieve those goals, they argue, Belyuk must become an open city. As a secluded region searches for business opportunities, Belyuk's military authorities show that they, too, want to bid with the free-market tale.

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Russian anti-submarine ships in port of Belyuk; Golenko (opposite) leaves from the past are a constant source of tension



MALCOLM GRAY in Belyuk

Letter from Tierra del Fuego Healing old wounds

As the flight from Buenos Aires dipped between the white-capped mountains of Tierra del Fuego, I saw the red roof of an Argentine prison where I had spent the Falklands War. It was my first visit in 10 years to Ushuaia, the Antarctic settlement of 40,000 people that has the distinction of being the southernmost town in the world. Yet I immediately recognized the wild, spectacular view across the Beagle Channel towards Cape Horn at which I had stood every day through the bitter winters of my cell. I had been arrested with two other British journalists while covering the Argentine side of the war and

Green had been the English-speaking intelligence officer in charge of the espionage case against me. I immediately recognized the tall man, now around 56, with penetrating blue eyes. We shook hands and, after a few awkward moments, my wife asked: "Are you the one who was responsible for putting my husband in prison?" Green countered with a defensive remark about it having been the decision of another intelligence officer. "Oh," Margaret said jokingly. "I was going to ask why you didn't keep him longer." That broke the ice.

Green had clearly fallen on hard times. Like many of his colleagues, he had been expelled from the navy after the military junta lost power, and he now works as a tourist guide during the short Antarctic summer. But Argentine hospitality withstood his demotion in status. Green took us home to meet his wife, Chabela, and their five children. Later, he gave us a tour of the town. Although Green showed no lingering hostility towards the British, he expressed bitter disappointment over the loss of the Falklands, known as the Malvinas in Argentina. "The Malvinas are under our seas," he said. "It's like a son whose you cannot reach. He is still your son."

Green's lament goes beyond sentiment for some isolated islands. The navy used to run Tierra del Fuego, Argentina's southernmost point. But the post-Falklands reaction against the armed forces was so violent that for some time no officer dared show himself in the streets. Now, the navy is in decline. Its ships remain permanently docked for lack of fuel. Military buildings close at midday because there are no power lines for electricity. And pay is so low that even officers are obliged to take a second job every other tax driver seems to be a moonlighting navy officer.

I confessed more of the past at the prison. There, I vividly recalled the empathy that my British co-accused and I had built up with the common criminals with whom we spent the war. In the depths of the Antarctic winter, we had sat in our blacked-out cells in the air raid stress ward, wondering if the RAF was about to bomb the mainland. I passed many days teaching the other prisoners rudimentary English. They, in turn, gave me an invaluable course in Argentine criminal slang. To our misfortune, the coordination that matured was not between our two countries, but between us and the infamous Argentine legal system.

As a result, it was with some trepidation that I struck up a conversation with some of my former captors. I need not have worried. They greeted me with smiling faces, recalling gleefully how they had nicknamed these British captives "007" in a sardonic reference to our supposed status as "spies." And they showed us spite over the loss of the war, seeming to be proud simply to have confronted a major European military power. It was like an awkward boxer boasting that he had nervously one round with Muhammad Ali.

Ten years later, the scars of the war are still visible in Ushuaia. But for one former prisoner and his peers, the healing has begun.

IAN MATHER in Ushuaia



British soldiers in the Falklands. The war now seems an anachronism

held for three months on spying charges. Recently, I returned to Ushuaia with my wife, Margaret, for a BBC documentary program on the conflict—and to visit the prison and meet some of my former captors. The Falklands War now seems an anachronism. Overlap at the decade, ship-grazing islands, a British Crown colony in the South Atlantic about 300 miles off the Argentine coast, has been in dispute for more than a century. But the Argentine version of the islands on April 2, 1982, provoked high outpourings of national sentiment in both countries. Winning the 30-week-long war sealed Margaret Thatcher's Conservatives' re-election the next year. Losing it cost Gen. Leopoldo Galtieri and the rest of Argentina's military rulers not only their power, but their freedom in the wake of the humiliating military defeat, the junta members went to prison.

In Britain, memories of the conflict have largely faded with the passing of time. But as my plane landed in Ushuaia, I wondered if Argentines still harbor resentments. A British submarine sank the cruiser General Belgrano in the most controversial single act of the war. I had watched from my cell window as the ship sailed from Ushuaia on its final journey. And when reports of the sinking, and the loss of 323 lives, reached the town, emotions ran high against us British "spies."

My first meeting with one of my former captors took place under bizarre circumstances. I was browsing through leaflets in the local tourist office when I heard a familiar voice. Marine Capt. Juan-Carlos

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THE DEBT DOCTORS

A FLYING TAG TEAM OF 'WORKOUT' SPECIALISTS MOVES TO CALM THE ALARM AMONG Q&Y'S CREDITORS

For Robert (Steve) Miller and Gerald Greenwald, it was show time. Two weeks earlier, they were employees. Olympia & York Development Ltd., the world's largest privately held real estate company, had acknowledged for the first time that it could no longer meet the payments on all of its debt—estimated at as much as \$25 billion. On the April morning the company's apparent destiny had been opened again with the announcement that Q&Y's newly appointed president, Thomas Johnson, had quit almost before unpacking his attaché case after a dispute with the company's exclusive creditors, the Richman family. Now, it was Miller and Greenwald's assignment to placate the 91 bankers from around the world who were filing into the ballrooms of a downtown Toronto hotel.

It was a role that the two men—both Americans—but played before and know well. They had faced a similar task, on a smaller scale, as they struggled to pull Chrysler Corp. away from the brink of bankruptcy in 1979. With Chrysler's return to financial health, Miller and Greenwald had secured reputations as masters of one of the most hazardous of executive assignments: the rescue of financially troubled companies or, if rescue proves impossible, their orderly breakup at whatever you would salvage as much of their value as possible for their creditors. They are now among the elite class of corporate troubleshooters whose specialty executives call "the workout." It is a role, according to other practitioners, that requires as much luck and guts of personality as it does skill with balance sheets. Last week, however, Miller and Greenwald played it to near perfection. They gave away little—either in terms of statements or information. And they held out creditors at bay—fostering any immediate demands for repayment that

might have plunged the company into even deeper trouble.

In their three-hour private meeting with the Richman's lenders, the two executives dispelled the most outrageous assumptions of Q&Y's debt, doing it at \$14.3 billion—as well as another \$4 billion owed by its subsidiaries. And, brushing aside the fact that much of the

debt was for the secretive company, Miller affably opened the floor to questions. Establishing a helpful confidence, he breezily described it as a "no-brainer" conclusion that the company's creditors would agree to cooperate with its planned restructuring of its "plain vanilla debt." Said Miller: "We did not expect signed agreements today—nobody brought their check-

book. But Miller and Greenwald will need deep reserves of confidence and credibility to succeed in the larger task of restructuring Q&Y's debt into a form that the company can afford to repay. Richard Wertheim, a partner in Wertheim New & Co. Inc., a Toronto-based consulting firm, which has advised other troubled companies, including Campco Corp. and Algoma Steel, said that they will have to strike a delicate balance: to win co-operation from the Richman's creditors, "You have to reassure shareholders at the same time as you communicate the gravity of the situation," said Wertheim. "You must be careful without being terrifying."

And however debt Miller and Greenwald see at restructuring corporate first aid, they may yet require major surgery to survive. Actual actual exposures of what is obtaining detailed financial statements from Q&Y, many of its creditors began last week to publicly criticize

the early 1980s to help finance its diversification into insurance. The setbacks drew a very observation from Allen Karp, president and chief executive officer of the recently restructured Campco Golden Corp. "In these situations, you are fighting 100 fires with one hose, and there's always another one breaking out."

Indeed, executives who steer a company through a financial restructuring have to juggle the competing demands of shareholders, creditors, suppliers and employees at the same time as they try to correct underlying problems and maintain operations. Because Q&Y is privately owned by the Richman family, some analysts say that Miller and Greenwald may find it easier to negotiate a solution without having to accommodate diverse public shareholders. But Ben Koor, a senior investment specialist who wound up Standard Trust Ltd. of Toronto last year, disputes that assumption.

According to Koor, private companies are frequently more complex than widely held public corporations because their managers and directors do not need to be explained to outside investors. At the same time, they are not constrained by the requirements of quarterly financial reporting to public shareholders or by the disclosure requirements imposed on publicly traded companies. Said Koor: "With a private company, you just tailor it to suit the owner's objectives and preferences."

The personalities of private owners can pose as much of a challenge to a workout specialist as their labyrinthine corporate accounts. According to Koor, individuals like the Richmans, who both own and manage their own enterprise, are often the most difficult people to work with as a restructurer because they resist relinquishing control of the company they have nurtured for so long. "These guys tend to hover," he said.

"And it's very hard for them to take advice." In most cases, credit counselors are at a disadvantage if the key executives are a workout team. As Miller and Greenwald, new on the scene: The outsiders can bring a fresh perspective to a company's problems. In situations where the existing management is perceived as part of the problem, as with Robert Campco's stewardship of his own company, credit counselors can help. In the case of Q&Y, a new credit manager, Campco Corp. of Toronto, a new credit manager is imperative. A rare exception was Patrick Strevish, chairman of Magna International Inc. of Markham, Ont. When that company began to falter in 1986, Strevish convinced lenders to give him the chance to turn it around—and the company



Miller, Albert (left) and Paul Steinhilber, Greenwald's opponent in the largest ever corporate restructuring, leaves the workout outside undisturbed

information contained in a 200-page package of documents presented to the bankers was a year out of date. Miller and Greenwald reviewed an audacious plan to restructure and outbid the company's exclusive lenders—while borrowing still more money.

Then, as the bankers withdrew to consider their options, Miller and Greenwald took their offensive to the automated crowd of reporters whooped impatiently outside the meeting room. First, Miller, who heads Q&Y's team of outside financial advisers, introduced Greenwald as Q&Y's new president. Then, to attract

book. "We added 'But we're very satisfied with the outcome. We achieved our objective of providing information.'"

The effectiveness of that soothing approach was evident the next day. The bellwether was the Toronto Stock Exchange, where the share prices of Canadian banks, which have been battered in recent weeks by investor alarm over their exposure to Q&Y's debt, strengthened. The Canadian Imperial Bank of Commerce, one of Q&Y's principal lenders, gained 75 cents a share, closing at \$39.62 at week's end.

the company's proposals. In particular, they agreed to its plan to exclude its most secure real estate assets from negotiations, leaving only troubled corporate investments and the \$7-billion Calgary Wheat project in London on the table. Although Miller dismissed the creditors' complaints as posturing on the part of banks that hoped to wring more concessions from the company, the treaty exchange cut a cloud over the hard bargaining that lies ahead.

The task of reassuring creditors was further complicated last week by Q&Y's default on bond and mortgage payments totaling \$1.4 billion. Concerns swelled over the disclosure of a \$2.3-billion syndicated loan that Q&Y took as its

Business Notes

A SOUTHERN TASTE

\$15 trade officials who arrived as Ottawa in an attempt to resolve a trade dispute with Canada over beer complained that a fusion on imports of U.S. beer imposed by the Liquor Control Board of Ontario could jeopardize negotiations. Board officials said that they had purchased 100,000 U.S. beer because of concerns that Ottawa may soon impose duties that would drive the price for higher than Canadian levels.

A PLEA FOR GAIT

A group of 120 leading international business executives, including Paul H. Hefner, chairman, Thomas Bates and seven other Canadians, published an open letter urging world political leaders to reach a comprehensive new international trade agreement. The executives published the letter after negotiations stalled on initial demand for overhauling agricultural provisions in the General Agreement on Tariffs and Trade.

A RARE SPENDING SPREE

Peter Hoffer of Canadian Manufacturers Inc. will spend \$25 million over the next three years to prepare at Oakville, Ont., assembly plant to make a new line of minivans and a plant in Windsor, Ont., to make new truck engines. The No. 2 automaker said that, as a result, it will reduce 1,000 Ford workers now laid off.

CHANGES AT THE TOP

In a management shuffle at debt-ridden Central Guaranty Trust Co., Thomas Hodgson, a former chairman of the Halifax-based financial services company, emerged as president and chief executive officer. He replaced Warren Miesley, who said that he was fired from the post Hodgson said that Miesley's comments were "inappropriate and inaccurate."

TAKING CHARGE

Unemployed employees at Algoma Steel Corp. of Sault Ste. Marie, Ont., voted in favor of a restructuring agreement that will give them a 60-cent-per-share stake in the steelmaker to reduce their average wages of \$19.52 an hour to \$16.68. Leaders will now vote on the feasibility of the new Algoma Steel Inc., which has been operating under court protection from its creditors since February, 1991.

FROM PENTHOUSE TO JAILHOUSE

New York City hotel agent Lewis Hefley began serving a five-year sentence for tax evasion in federal prison at Lexington, Ky. The demanding hotelier must spend at least 16 months in the spartan facility before being eligible for parole.

returned to profitability last year. Said James Nicol, executive vice-president at Magna: "It may be more painful for an auditor to do the job, but Strosch leaves better than anyone where the creditors were, how they got there and how to cut them."

One advantage that Miller and Greenwald have in their assignment at OAT is that their working relationship has already been tested in the crucible of Chrysler's brush with bankruptcy. Said Koor: "It saves a lot of time if you don't have to learn a new body language and you don't have to second-guess someone. If the mutual trust and confidence are already there, you're ahead of the game." Still, Corporate Advisors Karp noted that even when good relationships exist going into the crisis, "you have to enforce and assure people by entirely different criteria."

Whether the workout team

is new or already in place, however, its members have to face their assets with great care. One senior executive who has been working on the restructuring of another Canadian company since 1989, and who spoke on condition of anonymity, said that it is critical to allow some time for the initial shock over a corporate crisis to dampen. "At first, there is always too much upset and anger that people have to vent," he said, adding, "That's not where the best decisions are made." But too slow a response can be just as unacceptable to creditors.

For his part, Koor said that he should take no time, then six months to bring about some major changes. After a year has passed, he added, "you become part of the problem and you understand too much." In the end, the consistency of the company's debts effectively guarantees that considerable time will pass before its problems are resolved. The Richardson's willingness to seek public equity in their company, as well as their practice of leveraging money against specific real estate assets, forced OAT to deal with more major creditors than many other companies in similar positions. With more than 100 international financial institutions to deal with, even calling a meeting of all their representatives became impossible. Instead, OAT has organized its creditors into small groups that it hopes will negotiate a restructuring of its various debts based on the assets pledged in security on each loan.

Despite those efforts to ensure an orderly dialogue with creditors, Miller and Greenwald



Koor: 'No matter how much homework you do, there are surprises'

will still have to confront with at least some risk for the first claim in any funds that can be raised by selling assets. Said Magna's Nicol: "Creditors are paranoid about letting anyone get ahead of them in the line. If one gets jump and demands money, the herd follows." One way to counter that, he said, is for the company

to make returning as much as they would be worth under other circumstances.

Another target for the pressure-worried specialists is the company's suppliers. In effect, assured creditors, they have to be convinced to risk the possibility of delayed, or even cancelled, payments by continuing to supply the troubled corporation. Nicol said that suppliers who have long-standing relations with a company are often willing to grant these special considerations, especially during a recession.

OAT has some advantages at the timing of its crisis, according to one workout specialist. According to that specialist, who insisted that his name not be used, the lingering economic has led to more widespread acceptance by both creditors and suppliers of corporate restructurings, and even failures. "People

have watched values disappear across the board and their expectations have adjusted accordingly," said the executive. "The admission of serious financial trouble is much more acceptable than it was five years ago." Still, Greenwald emphasized last week the sheer scale of the task at OAT: "There has never been one as big as this," he said emphatically.

Although some experts questioned the suitability of two former executives from the automotive industry for the assignment of saving a real estate company, veterans of the restructuring process say that it makes little difference. In fact, they insist that however extensive an executive's experience in a particular sector, there is no way to prepare for what has ahead in any restructuring. Said Koor: "No matter how much homework you do, there are always surprises."

But one point on which most analysts agree is the need to retain a sense of humor throughout the protracted and frequently painful process of salvaging, or selling off, an over-indebted company. William (Bill) Jones, former chairman and chief executive officer of Palmbridge Ltd., has been trying to work with the creditors of Dorman Motors Ltd. for more than a year. Said Jones: "The important thing is to try to have some fun with it and not get too frustrated. I once tried to raise \$400 million a year over here, I'm trying to keep the doors open and the lights on."

Over the next several months, however, as the Richardson's and their new advisers work towards an agreement with their increasingly strident creditors, Miller and Greenwald may find that even their confident assets of humor become badly stretched.

DEBORAH MONTGOMERY

RX REMEDIES FOR DEBT DISTRESS

- Keep the CEO under wraps initially—in case the story has to be reversed later
- Be sympathetic with small shareholders, but offer no hope for their investment.
- Be candid; creditors must understand the gravity of the situation to become allies.
- Do not deal with all creditors at once. Have them form a committee with one or two designated representatives.
- Don't divide creditors who do not see need to quickly seek loan patience.
- Keep a sense of humor

Based on interviews with six of Canada's leading corporate advisors.

to threaten to seek protection in the courts, which would have the effect of stopping the negotiating process while a settlement is imposed on all parties. Another is to suggest a liquidation sale—a course that usually leads to assets being sold at knockdown prices,

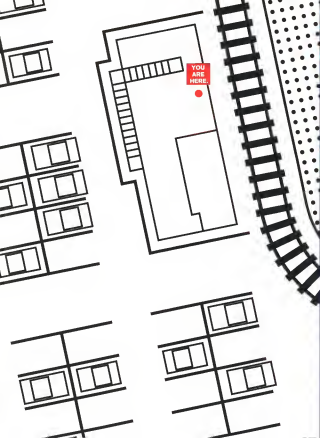


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from native American to
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the Hot Rods ride free.

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The harder they fall

A real estate oversupply threatens businesses

It is no more familiar. As embattled Toronto meets privately with dozens of its creditors—fighting to salvage a real estate empire that spans the Midwest into a Jewish diaspora that first pervaded in Eastern Europe before the Second World War, the mortgage bought and built properties in New York, London and other major cities. During the 1970s and 1980s, his family's wealth and financial success. But after two brutal years in which real estate values have plummeted in Britain and North America, his company is in danger. Earlier this month, he pleaded with his lenders for more time to pay back the billions of dollars he has borrowed.

Paul Hochman, 56, the Bronx-born 35-year-old real estate developer, is the chairman of the Leoben-based Hertz Group of companies. Like Hochman and dozens of smaller developers, however, Hertz is only now feeling the full impact of a wave of overbuilding that has glutted almost every British and North American city with excess commercial space. The number of vacant office buildings, retail malls and light-industrial plants has forced their owners to offer ever greater subventions to attract tenants. Those subventions, ranging from free renovations to years of free rent, have in turn reduced the income from many buildings—in some cases, to less than the cost of their upkeep. That has driven down their value and, at the same time made it more difficult for their owners to pay off mortgages and backshells. And with prospects fading for an early economic upturn, many experts say that it will take years to restore demand for new commercial real estate. "The office rental market is going to be in a state of gloom," says David Bailey, the general manager of mortgage armaments for the Prudential Insurance Co. of America in Vancouver. "It's the Olympic year for North America, and that's large."

And it is unlikely to change soon. Like the Hochmans, who started their \$7-billion Century World project in London in 1987, many developers began major new projects in the 1980s—too soon to demand for office and other commercial space, was beginning to wane. Said the real estate project is only now being completed, adding further to the glut of vacant space. According to Toronto-based Royal LePage Ltd., in fact, office vacancy rates in downtown London, New York, Toronto and Los Angeles have all doubled over the past two years to close to 30 per cent. And in Toronto, predicts commercial real estate analyst Tony Araoz, it could take four years before those rates fall below even the 10-per-cent level of 1980. It will take longer still, he adds, to get the backlog of available industrial buildings.

Prospects for an upturn in depressed com-

mercial real estate markets appear to be better. Last week, the Canadian Real Estate Association reported that home sales in Canada's 35 largest cities in March jumped by 10.1 per cent from the same month in 1991. But the impact of the recovery is uneven. Sales and prices in Vancouver, for one, both increased. But in Toronto, sales declined and the average price of a house dropped by 61 per cent to \$218,438.

In business and commercial districts, the glut of empty space has been a boon for investors. In downtown Toronto, for instance,

Water Park Plaza, Toronto
1990: \$303 million
1991: \$330 million

Decline in value: \$26 million



Araoz says that landlords have had to lower annual office rents to around \$35 per square foot from around \$45 per square foot two years ago in order to sign new leases.

But those falling rents have proved devastating for overly optimistic developers—and the financial institutions that backed them. In Hertz's case, its difficulties stem largely from properties in the recent cessant of San Valley, Ariz., and in Manhattan. But Hertz is only one victim of a collapse in commercial real estate in both the U.S. southeast and northeast. Hundreds of investment-fund institutions in those regions have collapsed since the late 1980s because of an estimated \$600 billion in bad loans for speculative housing and office developments.

In Canada, meanwhile, the inability to pay on real estate loans led to the col-

lapse last year of Toronto-based Standard Trusts Ltd. Bad real estate loans also contributed to the current crisis at Halifax-based Central Gurney Trust Co., which is selling off almost all of its assets and branch offices to cover its losses.

Inevitably, the slumps have produced a larger market in commercial and estate. But there are few solvent purchasers left to take advantage of it. Many of those who profited from earlier downturns in the market, including Hochman and Hertz, are now mired with debt and more likely to put their own properties up for sale than to snap up more.

The buyers with cash, however, there are bargains. Last October King King Hillman's Li Ka-shing bought the mortgage on a two-thirds-empty Kitchener office tower in New York's Wall Street financial district for \$86 million. The purchase gave Li a half-ownership stake in the building for barely one-third of the mortgage's 1984 value of \$267 million. For its

88 Herald St., New York City
1984: \$257 million
1991: \$132 million

Decline in value: \$125 million



part, the Ontario Municipal Employees Retirement Board, which manages a \$16-billion pension fund, has purchased over \$1 billion worth of commercial real estate in the past 14 months. Among its holdings: the Water Park Plaza office complex near Toronto's lakefront, and many others in the Cataraugus Tower in Calgary and three other buildings in Vancouver. Said Charles Mowbray, president of the board's real estate division, "This is a unique time. These are buildings that starting property owners would never sell otherwise."

As for the rebounded real estate prices of the 1970s and 1980s, they may have been an illusion because of the direction of the market. It has been on no position to follow them.

JOHN DALY with **HAL GUY** in Vancouver and **JILL CATTAN** in Toronto



Strikers at Caterpillar's Peoria plant: a return to adversarial relations

Caterpillar's showdown

Management claims an unqualified victory

Thousands of United Auto Workers remain to their jobs this week—most of them unhappy at the factory-owned manufacturer. Caterpillar Inc. in Peoria, Ill.

Their strike marks the end of a bitter strike lasting five months. But the 13,000 Caterpillar workers lack a new contract they agreed to and the strike only to stop the company from using replacement workers to take their jobs. And even though the end of the strike has little direct impact on Canada, where Caterpillar closed its only plant, in Brampton, Ont., last July, the bombing of one of America's most powerful trade unions sent shock waves through Canadian labor circles as well. Debra Lee, head of the Canadian Labor Council, said the Caterpillar Auto Workers' "This will clearly put to bed any suggestion that you can have a partnership in Canada or the United States with the employer."

The end of the strike was a major short-term victory for Caterpillar's hard-line management. But last UAW leaders in Peoria said that the company's tactics endangered the long-term labor-management relationship that contributed heavily to Caterpillar's success during the 1960s in Canada, meanwhile, analysts said that the outcome of the strike was unlikely to result in any immediate change in the existing balance of power between labor and management. Paul Weir, for one, a strike of Port Arthur, Ont., who teaches labor law at Harvard University in Cambridge, Mass., noted that workers in Canada would not have faced the same strike clauses presented by Caterpillar's employees. In Canada—with the notable exception of Alberta—companies are not allowed

to hire replacement workers to fill the jobs of striking employees. Canadian workers, Weir said, "are not as militant as their American workers under current labor laws."

The issue of replacement workers is increasingly contentious in both Canada and the United States. In this country, Ontario Premier Bob Rae has proposed controversial new labor legislation that would provide even greater protection for striking workers. Meanwhile, in the United States, Congress is considering legislation that would remove the right of companies to hire replacements. President George Bush has said that he would veto the bill if it is passed, but the two leading Democratic party candidates, William Clinton and Edmund (Jerry) Brown, have said that they would sign the measure into law.

At the same time, other experts said that the Caterpillar outcome was a major setback to greater co-operation between managers and workers. Said Jean McCarthy, president of the 200,000-member Canadian Federation of Labor: "I don't believe that attempts at co-operation between business and labor have to be doomed to failure. They are likely the only plausible option for success in the future."

In fact, Caterpillar's sudden change of attitude in the United States has been strikingly successful in recent years. Not only has it returned steady profits to its shareholders, but it dominates its market. It is now the sole of its largest customer, Komatsu Ltd. of Japan, where Caterpillar's leading bulldozer models take 80 per cent of the market. Still, when the union's last contract with Caterpillar expired in October, 1991, the company demanded that its

workers accept concessions in any new agreement—cutting, say, weekend pay protection.

That issue remained unresolved when the strike collapsed last week. The union spokesmen said that their members remained bitter at what they regarded as Caterpillar management's excessive demands for concessions, especially in light of what they said was a \$62.340 annual raise—the equivalent of a 10-per-cent increase—based to company chairman Donald Peters last year, bringing his salary to \$594,000. Noting that the union had sought only a 10-per-cent increase in average wages over three years, local UAW trustee Larry Smith said that Caterpillar's workers might take out their frustration with the company by disrupting production in the shop floor. Said Smith: "The UAW has used in-lane strategies in the past."

Some Canadian analysts said it was a clear-cut management victory. Edmonton business writer Patrick Fackinger approved of Caterpillar's tough line, noting that it echoed his own tactics during a costly six-month strike in 1986 at the Guelph, Ont. meat-packing plant in Edmonton. Said Fackinger: "If I had taken the deal the union offered me, I would have been looking that year. I chose not to take it and hired replacement workers. I believe it, as management, should have as much rights as that of labor."

But other analysts said that the one-sided conclusion to the Peoria strike sent a disturbing message to managers and unionized workers who are striving for better relations. Said Thomas of Agnew, president of the Ottawa-based Business Council on National Issues: "There is no way that we are ever going to beat the unannounced cooperation and achieve a new economic order in North America unless we are able to end ourselves of antiquated, adversarial approaches in the workplace." But in Peoria last week, as in many other workplaces across North America, relations between the shop floor and the executive suites seemed to be drawn in a debilitating deadlock.

BRENDA DALGLISH



King Kong of hardware

A new chain opens for Mr. and Ms. Fix-it

Scott Nickerson, a computer programmer at Deltastore Systems, is no Mr. Fix-it. In an effort to save on home repairs, Nickerson has been landscaping, sewing, painting, cooking and even barbequing his way through the new Dartmouth, N.S., home that he shares with his wife, Rebecca, and their eight-month-old daughter. Nickerson is part of a legion that is reaching to the elbow for the assistance. And there is no shortage of companies offering new ways to the hungry array of do-it-yourselfers. The latest enterprise to enter the fray is testimony to the power of good words over language: now, the Molson Coors Ltd. of Toronto and beer line last month opened Aldenbach's, the first of 10 planned warehouse-style stores, featuring everything from an outdoor landscaping to an outdoor garden centre, with light bulbs and cotton gins in between. But the home-repair story can be a customer tale. It sometimes takes four baby boomers to change a light bulb, and the reward of perking toes and aches of the new super-stores are not for least hours.

Molson is betting that people looking for power tools will put up with the throngs. Based on a formula that has proven successful in the United States, the first Aldenbach's Home Improvement Warehouse, in the northeast part of Metropolitan Toronto, built itself as offering customers, both low prices and a wide range of merchandise and useful advice by salespeople who do not go into looking at the

stight of a customer. In that respect, Molson's first new warehouse store seems destined to shake up the more haphazard competition. Indeed, as a recent Dartmouth shopper who surveyed the lineup outside for a parking spot discovered that, aside, against grove appliances' beds, were eager to help them pick out merchandise and trouble heavy purchases to the front counters. About half of the 700 spaces in the sprawling parking lot outside were even full on a subsequent weekday morning, usually a sign for most retailers. Inside, customers were busy at 10 of the 20 check-out counters, ringing up sales. Watching the steady stream of sales as Aldenbach's slowly staffed president, Stephen Ross. "This has exceeded our most optimistic projections," he said.

The new outlet carries a name that is familiar to many shoppers in Ontario: Aldenbach's, which was founded in 1930, had been in various projects with hardware as Larry Secord, a wealthy Molson bought Aldenbach's in 1990 and began planning the warehouse concept. The company spent \$1 million on flexibility and demographic studies before embarking on the venture.

The restructured Aldenbach's, however, changed the in-store layout of the original chain. The first outlet is a sprawling concrete shell covering a floor the size of the football field, where upper aisles, take several places to explore. Over 30,000 different items, sold in manufacturers' boxes are stacked on

Before ending discounts for employees

long aisles of 20-foot-high steel shelves. The range is impressive. There are more than 80 types of toilet seats, ranging from \$9.99 for a white plastic model to \$54.77 for a solid oak. More than 2,000 different types of bathtubs, like tubs, bathtubs, and bathtubs, are also available—priced individually by the pound or by the box.

There is, however, one notable difference between Aldenbach's and most other warehouse operations. At similarly scaled outlets, such as those operated by Low's, Quebec-based Price Club Canada Inc. and Burlington, B.C.-based Costco Wholesale Canada, low prices alone are the main attraction. But Aldenbach's also promotes attention to service—in particular, to helping customers. But Ross. "It's not like we're selling pills. People have to know what to do with the things they buy."

To that end, samples of products such as power tools and light fixtures are hooked up on display panels to illustrate how they work, while another display shows, step-by-step, how to install a car stereo. Customers can also watch a short project demonstration and seminar. Among the store's 199 sales staff are licensed plumbers, electricians, carpenters and horticulturalists—along with the customary helpful, but awkward, clerk. For the truly ambitious, the store is equipped with computer-aided design (CAD) facilities, which allow customers to fit a customer's home—they provide a perspective illustration of the completed project and a list of the materials needed to build it.

Price is not forgotten in Aldenbach's version of the warehouse formula. Indeed, Aldenbach's general first look aggressive use at several of its competitors, comparing its prices favorably and directly with those of Canadian Tire Corp. Ltd., Consumers Distributing Ltd. and Beaver

Lumber Co. Ltd., which Molson also owns. And when customers can establish that an identical item sells for less at a rival, Aldenbach's policy is to knock 10 per cent off that lower price. Like other warehouse operators, Aldenbach's buys in bulk direct from manufacturers, receives goods directly from trucks to the store shelves and maintains strict inventory control. But Nickerson also eliminated another hidden cost: there are no employee discounts. "I don't get a discount either," he adds.

The promised reductions of low prices and discounts has prompted even assembly-line skeptics to predict that Molson's new venture will shake up Canada's established hardware and home-improvement industry. "They have found the magic formula," said Vancouver retail analyst Les Thomson. "The warehouse store is here to stay, even when there's nothing more to say." Indeed, Ross plans additional stores in Toronto and Montreal in the next three years and will eventually open stores in other provinces.

Some experts insist that the small corner hardware store need not fear. Thomas Ross, executive director of the Manufacturers' Ontario-based Retail Hardware Association, claims that such stores are in the best position to keep their established customers. "The corner hardware store will become convenience-oriented," Ross suggested. "People will still pop in when they want to buy a paint can and not wait in line behind the guy buying 300 board feet of lumber." According to Ross, the stores most likely to lose ground are traditional, medium-sized retailers. Ross argues to compete on convenience, they do not have enough inventory to compete on price.

For its part, Canadian Tire has opened three warehouse-style stores of its own since last fall, one in St. Hubert, Que., and two in the central Ontario towns of Brantford and Hamilton.

And in the Beaver Lumber's 185 outlets, a Molson spokesman insisted that there was little geographic overlap with the revised and restructured Aldenbach's. Only one of the Beaver Lumber stores are in the Toronto area, he said.

The acquisition for Molson's venture into King-Kong-sized hardware stores is clearly American. The new Aldenbach's bears a strong resemblance to the U.S. outlets of Atlanta-based Home Depot, the largest American home-improvement retailer, with sales of more than \$5.1 billion in 1993 from

178 outlets in 35 Sunbelt and northeastern states. Indeed, Ross is a former Home Depot vice-president, and those of the five vice-presidents he has hired have experience at another U.S. giant, Virginia Beach, Va.-based Home Quarters Warehouse Inc.

In fact, some analysts speculate that Molson opened its new store in an effort to keep Home Depot out of Canada. For his part, Molson spokesman said senior vice-president Bernard Kohn said that the timing was right for the concept to come to Canada. Still, he added,

"Either we do it, or someone else will." A spokesman for Home Depot, meanwhile, said that Canada is "a logical place to look for expansion," but added that the company has no current plan to open in Canada.

Not every analyst shares the enthusiasm for Molson's newest venture. At least one close observer of the home-improvement industry told Ross that the do-it-yourself market relies on marketing consumer skills. "Today's baby boomer can hardly change a light bulb," asserted Walter Stoppelwieser, president of Home-Tech Information Inc. in Bethesda, Md. "They don't have the time or the skills to do repairs around the house."

That may be so, but Dartmouth's Nickerson is a believer. In the fall of 1990, he replaced the entire bathroom on his home, spending \$80 instead of the estimated \$300. And last August, he installed a 90-cent water heater in a leaking hot water tank, a job he calculates a plumber would have charged him \$40 to do. In addition to that, he has the pride and satisfaction of knowing how many Nickersons it takes to change a light bulb—only one. □



The Johnsons: nails and hardwood floors

REVISITING A SIMPLER TIME

The smell, a heady mixture of old wood, paint, packing lubricant and sawing compound, lingers like a breath of the past inside Hydrotech Hardware. In fact, stepping inside the grey concrete building in North York's residential north end is like travelling back to 1958, the year the store first opened as doors for business. "We have tried to maintain the original character," said Reg Johnson, 48, who has owned the store since 1972 and who makes change from behind an antique cash register. Hydrotech Hardware has been open for 35 years, on 15-foot ceilings and overflowing racks and shelves have run the store since a period backdrop for television commercials and a feature film. And local theatre groups sometimes use as props the three-dimensional racks and leaning airplanes that hang on the store wall.

All the same, Johnson's store is no museum. With more than 6,000 separate items crowding to 1,600 square feet of floor space, it is a far cry from the old-style, family-owned hardware stores that were always packed to the rafters with merchandise of all shapes and sizes. Customers can buy a rake, saw, box of screws, can of paint and most of the other traditional hardware items from Johnson and wife, Debra. But at Hydrotech Hardware, they can also find modernized jigs, jigsaw blades, shaggy shims, rubber's handles, stoppings, spike-packing rollers, spools for tapping maple trees, kerosene lamps, window glass and wooden fish tail of nails, which the Johnsons weigh in an antique scale and sell by the pound in brown paper bags. Said Reg

Johnson: "Our customers come here because they know that they can get whatever they need inexpensively."

In fact, Johnson, who spent a decade as a travelling salesman for an schedule equipment company before going into the hardware business, relates dealing with his customers. The older ones have been visiting the store since he began to buy and sell hardware, say that they find Hydrotech Hardware's relaxed, informal atmosphere a pleasant contrast to shopping at the big, big hardware chains. "You're not rushed or pushed here," said Paul Eason, 38, a musician and carpenter who has been visiting the store for more than 10 years. "It's not a matter of 'if' or 'when' to call, but the know-how and know-when from Reg is correct. It's like going to borrow something at a friend's house." Or like stopping around an earlier, simpler era.

JOHN DEMORE in Atlanta



Lougheed's brave plan to save Canada

BY PETER C. NEWMAN

Despite Quebec Premier Robert Bourassa's recent boasts, the chances of resolving Canada's constitutional impasse through a negotiated compromise remain slim. That conclusion has reinforced the idea of bypassing the provincial and federal legislatures by establishing a national constituent assembly.

The man who is emerging as the godfather of this radical, perhaps last-chance approach to separate the hope for this country's future from existing governments and structures is Peter Lougheed. The still-popular former Alberta premier, who has become the Canadian corporate world's most powerful figure, is quietly campaigning to make the constituent-assembly idea an available option, should all else fail.

"It's a last resort," he told me during a recent interview, "but it could work because it will be a truly grassroots gathering that involves the election of citizens who are not currently politicians—and would not be eligible to become MPs or MLAs for at least six years. It would give the country a full-fledged political voice that's never had."

Lougheed is fearful about current developments because he sees Central Canada heading up against the idea of a Triple E Senate, which furms the heart of western anger. At the same time, the former governor realizes that business cannot accept constitutional proposals for Quebec that offer less than Meech Lake. "The package can be different than Meech," Lougheed stresses, "but it can't be anything less in the perception of the people of Quebec."

As a politician who was a winner at bargaining with Ottawa, Lougheed likes the original 38-year federal package because it offers Ottawa the flexibility of discarding various items as a way for provinces to claim victory or return for their overall support.

To the standard criticism that a constituent assembly would lack legitimacy because we already have an elected body called the House of Commons, the 63-year-old Lougheed argues

A real constitution instead of a document imposed behind closed doors would amount to a revolution that could save the country

that any such dilemma could be dealt with by making the constituent assembly an elected body set up by Parliament and the provincial legislatures—with an explicit understanding that its deliberations would need to be ratified both by provincial legislatures and by Parliament.

"The key will be the numbers of delegates," he says, "and I would go with 75, divided something like this: 12 each from Ontario and Quebec, six each from the four western provinces, with the balance split among the Atlantic provinces, the territories and special representatives from the aboriginal peoples." Prospective delegates would be required to gather 3,000 supporting signatures before being allowed onto a provincial ballot. Voters would be able to vote for all the delegates slated to that province. The practical elections would be coordinated so that the entire date across the country is elected on one day with, say, the top six names on the British Columbia ballot being declared winners, each B.C. voter having marked his first six preferences in alphabetical order.

Lougheed advocates a last election campaign with no one allowed to run under party labels. Expenditures would be recorded and

strictly controlled, and the campaign would be conducted primarily through free television, radio and print advertising. The winners would be given a mandate to get the job done within six months. They would be paid at the same rate as MPs, but would not be eligible for pensions.

While their first meetings might be chaired by Commons Speaker John Fraser, Lougheed's assumption is that leaders would emerge out of the group to shepherd the process through to completion, just as they did in last year's five constitutional workshops. "You look them up until they've made a deal," he says, "and the big advantage is that these people would be going into the negotiations with very little past baggage. The constituent assembly would be required to report to Parliament and the provincial legislatures within half a year of having been formed."

The biggest problem with the idea is that Quebec has already indicated that it may not hold an election for delegates from that province. "My view is, you do it even if Quebec refuses to be part of the process," Lougheed counters, "but maybe when the assembly's leadership comes together they can figure out a way to negotiate with Quebec. I think that there will be a lot of Quebecers, who are neither die-hard Liberals nor members of the Parti Québécois, who will get grouchy at the National Assembly to take part. If Bourassa doesn't like the formal proposal that finally comes out of Ottawa and the other provincial capitals, he now only has the choice of acquiescence. This would give him the option of waiting to see what might come out of a constituent assembly."

The most complicated—and most important—part of Lougheed's constitutional initiative would be ratification of the new constitution drafted by the assembly. Lougheed's idea is that if the majority of a province's assembly delegates support the reconstitution, then that provincial legislature would also be required to ratify them. After that, the new constitution would be presented to the federal Parliament for its approval. The House of Commons and Senate in turn would then have to ratify any agreement passed by a sufficient majority of provincial legislatures.

Its critics claim that a constituent assembly sets up a parallel government that might permanently undermine the legitimacy of the existing political system. It's a valid point, because having some bypassed Parliament to resolve an issue that elected representatives were unable to deal with, it may be difficult for Canadians to recognize their faith in current political institutions.

But against that worry is constitutional genius in the fact that this country is at the brink of dissolution. If the current winds of despair and disunion are allowed to blow themselves out, there will be no Canada as we have known and loved it for 135 years. Any legitimate means of preventing that catastrophe must be attempted.

Peter Lougheed's plan for a constituent assembly isn't perfect. But it may be the best hope we've got.

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'THE SYSTEM FAILED US'

Coincidentally, the lives of two people who claim to be wrongfully convicted of murder last week reached turning points. After 33 years in prison for the 1969 death of Saskatchewan nursing assistant Gail Miller, David Milgaard became a free man when the gates of a Manitoba penitentiary closed behind him (page 46). In a Toronto detention centre, Laurence (Lance) Bombardier awaited the arrival of law officers from Phoenix, who will take her back to resume serving a life sentence for a 1981 murder. Bombardier, who insists that she is innocent, remained in Canada in 1990, where she subsequently fought extradition. (Excerpts from her new autobiography begin on page 53)

In Winnipeg, Maclean's Calgary Bureau Chief John Howe talked with Milgaard before and after his release—three times in all—the last at Milgaard's father's funeral home. During their conversations, Milgaard criticized Canada's justice system and talked about his hopes. (Excerpts)

AS A FREE MAN, DAVID MILGAARD WANTS AN INQUIRY —AND MONEY— AFTER HIS ORDEAL

On prison: It is insane to place a man in a box or a cage for 23 years, with all the costs of keeping him there. There is no saving in these places. Look at what happens to mental-illness patients. It is ludicrous to have people sit inside prisons and do nothing with their lives. There is a better way to handle people. Next month, I am meeting with the Manitoba Criminal Commission to put together a model for a new prison. We will take it to the minister of justice, get it on her desk. It is her responsibility that a lot of things don't work out in jails. The worst time I had in prison was when my grandfather died and I was not able to get out to be at the funeral.

On the effects of prison: I like to think I am not crazy. Jesus Christ got me through it. But I am tired.

On the justice system: The justice system failed us miserably. It seems you go one step, one step and one step. It is too damned long sometimes. I am later against the system, I love people. If you isolate the Canadian criminal system, it is there to protect people. A perfect justice system would be mercifully benign, not punishment-oriented. This is a big, insular country. There is a great mass of good people, but it is not held together by good government.

On how the system failed her: The federal investigator [at the time of Milgaard's 1968 request that his case be reviewed] had all the work my support group provided him about the reports going around of rapes on the same corner as where they found Gail Miller. It was all in the Gail Miller file and the federal justice department just ignored it when it was supposed to be reviewing it. Justice delayed is justice denied. We did end up in the

Supreme Court, but if everything had been handled right by the court it would have processed my innocence. Justice Minister [Kim] Campbell should have done her job properly. Her officials did not do their jobs.

On Justice Minister Kim Campbell: She knows how she mismanaged us. Our first application [for a new trial], with all those new facts and evidence, made her look like a fool. We worked so hard to get it all together, but it does not feel right still. We do not like the story against my innocence. For sure, Kim Campbell has not heard the last of us.

On the need for an inquiry: I want a complete inquiry into Saskatchewan's handling of the case. Justice is needed here. Even the Supreme Court left it up at the air. It did not resolve it completely for me. The

most significant picture that we sit with is that we are not content to have governments, whether the provincial one in Saskatchewan or the federal justice department, leave this whole experience the way it is. The people who investigated my case should be made accountable for that. They should find out who made the mistakes, I know a lot of things failed. Courts need to protect their community. [If there is an inquiry] the Saskatchewan justice department will be under the rule. I don't kill anybody. We know what the Saskatchewan police did, but it is still crucial to find out what made it happen. We will chart our way to a conclusion. That was conclusion is my conclusion.

On Gail Miller's death: I am concerned that the crime might remain unsolved.

On his demand for compensation: Compensation is hard to explain. Just in terms of what somebody loses by being in jail, like missing a chance of being at a wedding? There is no dollar-value value on some kinds of things that are lost. Saskatchewan says that it will back compensation. I am going to have to go on welfare. I came out of prison with about \$240. After 23 years, that is all I have. Except for my parents, I am out on the streets.

On his supporters: The circle of strength is growing. People across the country are a blessing for us, people selling David Milgaard buttons and T-shirts. They are the backbone of this thing. I want to thank them.

On freedom: I am happy. I just want to get my hands on ground outside the prison. I want to drive through the city, and go home. It seems weird to be getting out. People were taking away at me in court and I was angry inside. I am not angry at people anymore, but I am at the system.

On the future: I am keeping spontaneous about the future. Maybe I will do volunteer work, I am a Christian and I want to help people. But I have to keep my feet on the ground, to share the love of my family. I just hope in one to two years I can be doing something meaningful. □



THE SURVIVORS

DAVID MILGAARD GETS A NEW START ON LIFE

Flocked by his parents, his two sisters, his brother and his two Winnipeg lawyers, David Milgaard stood outside Stoney Mountain Institution one morning last week and gazed at the Manitoba prairie that stretched endlessly to the horizon under overcast skies. The 38-year-old Milgaard served the year he spent, for the first time in almost 33 years, he was a free man. Two days earlier, the Supreme Court of Canada had recommended a new trial for Milgaard, who was convicted in 1970 of the January 1969 rape and murder of Saskatoon nursing assistant Gail Miller. But Saskatchewan Justice Minister Robert Middelton announced that his department would not try Milgaard again. As he walked away from the prison to climb into the backseat of his brother's Ford LTD for the trip home, lawyer Henry Hertzberg took hand from a birth certificate. It was issued on April 16, 1969, which said the day "when the first of your life begins." Milgaard, who wore a baseball cap and prison-issued blue jeans, a green work shirt and running shoes, turned to reporters and said hesitantly: "It's good to be out forever. I'm just going home."

The Milgaard trial and four lawyers were phoned in they left the penitentiary but they expressed misgivings about the Supreme Court ruling. Walsh said that he and his assistant, David Ager, were disappointed that the five justices who renewed the case earlier this year failed to make a clear ruling on Milgaard's guilt or sentence. Instead, the court said that Milgaard, who was serving a life sentence, should have a new trial because evidence discovered since his original conviction could have as much as a jury's decision. As well, none of the witnesses at Milgaard's first trial have been identified that critical parts of their testimony were falsified. Speaking from the steps of Stoney Mountain, Ager said: "This is a very proud moment in my life, seeing him leave this institution. What we seek now is the complete vindication of David Milgaard to establish that his conviction was improper."

Ratifier For Milgaard, being released from prison may not be the end of all legal battles. The former convict's lawyers said that they also wanted to press the Saskatchewan government for financial compensation. Said Walsh: "It's a nice little spin: 32 years in jail and haven't got a conviction, not that that's representative of all about it." But in Regina, Middelton declined that he would not order an inquiry into the Saskatchewan police department's investigation of the Miller murder or into his department's prosecution of Milgaard. And he said that the



Milgaard with mother Joyce after release, savoring the delights of freedom

government would not offer Milgaard any financial compensation.

For the Miller family, Milgaard's release served to renew their quest that whoever killed Gail be brought to justice. The murdered nursing assistant's brother, Jack Miller, a 69-year-old lives in Saskatoon, and a brother and his sisters live in Saskatchewan. Another brother lives in Alberta.

Walsh and Milgaard fully understand and acknowledge that their most immediate con-

cern is Milgaard's ability to deal with his outside prison. "David will have a hell of a time getting started again," said his 33-year-old sister, Lorne, a nursing-consultant saleswoman. "He is still not sure to take direction, and a lot of his thinking is still where he was as a 19-year-old. He wanted my office once when he was out on a pass and was issued to find a fax machine." His mother, Joyce, who has been separated from Lorne Milgaard since 1978, added: "No doubt the prison took its toll on David. Many horrible things happened to him there. But he is a survivor. David has learned patience and understanding."

In reviewing Milgaard's case, the Supreme Court justices heard conflicting and contradictory evidence from the witnesses. One of the principal witnesses, Ronald Wilson, 40, a 1969 Columbia sales representative for a two-company, identified that he had been talking with Milgaard's trial. Another key witness at Milgaard's trial, Nobel Denney, told the high court that he could not remember anything about the day on which the murder occurred. And other witnesses gave contradictory accounts of a party in a Saskatoon social room at which Milgaard allegedly re-created the crime.

Murder The review was further complicated when Milgaard's lawyers introduced fresh evidence to suggest that another man may have been responsible for Gail Miller's rape and murder. Walsh and Ager told the Supreme Court that social activist Larry Fisher, 42, was convicted in 1971 of two sexual assaults in Winnipeg and four in Saskatoon. They also introduced evidence to show that three of the four Saskatoon assaults occurred in the neighborhood where Gail Miller lived and was murdered. The assaults all occurred around the time of Miller's death. Fisher, who is currently a prison inmate, is serving a 16-year sentence for a 1980 sexual assault, appeared at the Supreme Court hearing and denied murdering Miller. Fisher is scheduled for release from prison by May 1984.

Despite those unconvicted assaults, Milgaard's release was a personal triumph for his mother who waged a relentless campaign to overturn his conviction (page 49). She said that she was always convinced of her son's innocence, and she began working on his case almost half a century ago. Milgaard said that he was afraid that her son would never be paroled. As he left Stoney Mountain Institution last week, a beaming Joyce Milgaard declared: "I am so happy I am never going to see this place again as long as I live."

Over the years, Milgaard's mother attracted the support of prominent N.J.-based German businessman, a formerly failed charitable organization that works for the release of prisoners that it believes have been wrongly convicted (page 54). She travelled across Western Canada with Canadian's South-

west investigator, Paul Henderson. Together, they tracked down and interviewed witnesses with information that could help free her son.

Joyce Milgaard also tried to help to the suspected Winnipeg law firm of Walsh, Peter Duggan, Scarborough. In 1986, she paid close to \$2,000 (retainer for the services of Walsh. Since then, Walsh and Ager, son of Winnipeg lawyer and communications arts leader (Ray) Ager, have devoted hundreds of hours to the case, and they estimate that they have contributed about \$5 million worth of legal services free of charge. A small medical room in the firm's downtown Winnipeg office used almost exclusively for work on the case (see to be known as "The David Milgaard War Room"). Said Walsh: "It was the legal system that screwed them up, and we are part of that."



Walsh: "we felt some responsibility to help them"

sponsor. So we felt some responsibility to help them."

Wife For all the unmet desires, it is clear that Gail Dorey Miller, the murder victim, was a particularly graceful woman on the liquid water morning of Jan. 31, 1969. The 28-year-old nursing assistant from Leno, Saskatchewan, 60 km southwest of Saskatoon, worked in the pediatric ward of Saskatoon's St. John's Hospital. On the day of her death, Miller left her morning house around 8:45 a.m., and began walking to a nearby bus stop. The temperature was 40° C, and it was dark. Less than two hours later, a child found her body in a back alley. Her stockings, garter belt and panties had been pulled down together and tossed by her driver and her husband had been torn. She had been raped, and stabbed 15 times, five times in the back.

David Milgaard became a suspect when Saskatoon police learned that he and two friends had been passing through the city that morning and stopped their car near the murder

scene. At the time, Milgaard was a 16-year-old high-school dropout from Langenburg, Saskatchewan, 375 km northwest of Saskatoon. He had been convicted two years earlier of pyromania and spent a year in a work of the penitentiary. Joyce Milgaard admitted that her eldest child was rebellious, but she insists that he was never violent. Said Milgaard: "He was hyperactive as a kid. He got kicked out of school and got in fights. But David was never a violent person. It's not in his personality. He was a loner. Early on in the morning of June 21, 1969, Milgaard and two teenage friends, Wilson and Denney, who then was known as Michel John, left Regina for Saskatoon in Wilson's brother 1958 Pontiac. They arrived at around 8:30 a.m. and stopped at the home of Lillian Albert Cadman. Later that day, the four teenagers left for St. Albert, Alberta, to visit one of Milgaard's former girlfriends.

Help In May 1969, the RCMP arrested Milgaard in Prince George, B.C., where he was selling magazine subscriptions (Chalkdust). Martin's and others, and returned him to Saskatoon to face a charge of second-degree murder. At his two-week trial in January 1970, the most damaging testimony came from his friends, Wilson, John and Cadman. Wilson testified that his car had become stuck in the snow at about the time of the murder, and that he and Milgaard set off in different directions looking for help. The Crown argued that during the 15 to 20 minutes that the two men were separated, Milgaard raped and murdered Miller. John told the police that he saw Milgaard snubbing someone in an alley. The statement was returned as evidence. Wilson and Cadman both told the court that Milgaard had blood on his clothing that morning.

Milgaard did not testify in his own defense, and during the Supreme Court review of his case earlier this year he said that he was accused by the evidence of his friends. "They just told their dad he did," Milgaard said. "I felt frustrated. I couldn't jump up and say, 'Stop. Tell the truth.' What does [Milgaard] mean, it was not his father? He said, 'The jury believed Wilson, and so on Jan. 31, 1970, it convicted Milgaard."

Milgaard appealed the verdict, but in January 1971, the Saskatchewan Court of Appeal declined to grant him a new trial. In November of that year, the Supreme Court of Canada also turned him down. He has since received review of the case, the five Supreme Court justices declared that Milgaard had received a fair trial, and that the trial judge had not made any errors in law.

Joyce Milgaard says that her son was a troublemaker since throughout his life. She is the widow of a man who was killed in the penitentiary at being wrongly convicted during Milgaard's first 38 months in jail, prison officials received 53 institutional offenses. They included religious orders and threatening guards. He tried to commit suicide in 1971 by

jumping from a second-storey window, and lived a second time by slaying his wits.

At one point, he swallowed copper wire in an attempt to obtain a transfer from Prince Albert Penitentiary to central Saskatchewan to Stoney Mountain, to be closer to his family in Winnipeg. In 1976, he was transferred to Stoney Mountain. Milgaard escaped on Aug. 28, 1980, after being issued a day pass to attend a family birthday in Winnipeg. During his 37 days of freedom, Milgaard got a job as an encyclopedia salesman in Toronto. He was captured after an unidentified informer tipped off the police. Throughout his years in prison, Milgaard has suffered severe bouts of depression, and now takes the drug lithium to stabilize his moods.

Fight: Milgaard's conviction and imprisonment were also a traumatic experience for his sisters, Susan, now 37 and 30, and administrator with the Kentucky Fried Chicken restaurant chain, and Maureen, 29, a former Winnipeg waitress who, more recently, has devoted her time to helping her mother fight for Milgaard's freedom. Susan, who was 14 at the time of her brother's trial, recalls that a classroom had a rule: report that David had been convicted, and told her, "I didn't believe it and heard lots more," she said. "Growing up, he was my idol. I always wanted to be like him." Maureen, who was only seven years old at the time, and that classmates teased her after her brother's conviction. "The kids would let us and yell, 'Your brother is a murderer!'" she said.

Milgaard's long imprisonment down him and his sister Maureen close together. She said that after she was 18 and began visiting him regularly at Stoney Mountain, he tried to experience the outside world through her. "He wanted to know everything," she said. "After the kids finished, how the sand felt on the beach, what it was like to be in love and how I felt the first time I had sex. He wanted every detail of the world."

Crusade: Late in 1980, Milgaard's mother learned that what would become a crusade to free him from prison. She began by offering a \$10,000 reward for any information that might help exonerate her son and distributed leaflets publicizing the reward throughout Saskatchewan. She and Winnipeg freelance journalist Peter Cudde-Gege mailed the transcripts of Milgaard's court proceedings to every newspaper and law firm, and asked the federal justice department to review the case and order a new trial, based on the fresh evidence that they had submitted.

The Milgaards waited 26 months for a decision in February, 1986. Federal Justice Minister Jean Charest said that after an exhaustive departmental review of the case, she would not intervene. Meanwhile, in February, 1986, Asper had received a tip from an anonymous telephone caller who boasted he was late into the efforts to free Milgaard. The caller,



Heiderman: tracking down former witnesses

who identified himself only as "Bob," told Asper to examine the crimes of convicted serial rapist Larry Prober because he was connected to the murder of Miller.

At that point, Catherine Minister Heiderman, 53, entered the case. The former journalist said that he began by interviewing Prober's mother, Linda, in the village of Cassia, Sask., 100 km northwest of Saskatoon. She told Heiderman that for years she had believed that

Prober might have been involved in the murder. Heiderman, then, travelled across Western Canada interviewing some of the witnesses who had testified against Milgaard at his trial. He said that his next significant break arose when Wilson recalled most of his testimony.

In August, Welch and Asper submitted a renewed application for a review of the Milgaard case to Campbell. The new application contained affidavits from witnesses at Milgaard's trial, along with affidavits from Prober's wife sisters. On Nov. 28, Campbell referred the Milgaard case to the Supreme Court.

Mystery: With Milgaard free, legal experts assessed the chances of winning any further victories over the justice system that he claims has wronged him. Brian Gosselin, a Toronto-based president of the Criminal Lawyers' Association, cautioned that Milgaard faces a difficult battle for financial compensation because the previous justice minister has ruled out an inquiry, he said. Milgaard and his lawyers can only sue the provincial government. But, for a few days at least, it was a time for David Milgaard simply to enjoy the delights of freedom. As he and his family enjoyed a week dinner in a Winnipeg restaurant, other claims and battles of champagne to their table. For the Milgards, however, the nightmare of their daughter's death was shared in even deeper mystery. For them, there can never be a mystery.

DARCY DENNIS with JOHN WORSWICK in Winnipeg

QUESTIONABLE JUSTICE

David Milgaard's release after 23 years in prison for a murder that he claims he did not commit focused attention on other cases in which Canadians have been, or claim to be, wrongfully imprisoned. Among the most prominent:

DONALD MARSHALL: Convicted in 1967 of second-degree murder in the slaying of a friend in Sydney, Marshall, a Moncton, N.B., resident 11 years in prison before an investigation led to his acquittal by the Nova Scotia Court of Appeal in 1983. The trial killer was subsequently convicted of manslaughter. A provincial royal commission concluded in 1990 that the justice system failed Marshall, and he was eventually sentenced to a compensation package worth \$1.5 million.

WILSON PROBER: A Cree Indian, Milgaard was convicted in 1987 of brutally killing a woman near Ponoka, Alta. After a private investigator found new evidence,

Justice Minister Kim Campbell ordered a review last year. Prober was freed on bail, and, in March, the Alberta Court of Appeal ruled that he was entitled to a new trial. The province's attorney general, who oversees the trial, and Prober, and his supporters are depending on inquiry into his original conviction.

ROBERT SYLVO: In 1952, Sylvo and a companion were convicted of killing Toronto businessman George Selman in Toronto. N.B., 78 km northwest of Moncton. Sylvo, like Marshall's Moncton Indian, has always maintained that he is innocent. Although two key witnesses have recanted their testimony against Sylvo since the trial, the New Brunswick Court of Appeal and the Supreme Court of Canada have rejected requests for a review of his case. Still in prison, Sylvo awaits a response from Justice Minister Kim Campbell in a request for a review of his case.



Joyce and Elizabeth from left; Loretta, daughter-in-law Cathy, Chels, Maureen and Susan Milgaard: 'we want the system to change so it never happens again'

A TRIUMPH OF FAITH

JOYCE MILGAARD'S BATTLE CONTINUES

The battle that Joyce Milgaard fought against her son's conviction for a brutal rape and murder consumed her savings and her energies over the course of 23 years. In her campaign, she became a justice-reform advocate, a private investigator, a granular and a lobbyist skilled in dealing with the media. Last week, she emerged from the long, often lonely crusade and from the crash of attention following fresh news to continue campaigning. "Now, we want the system to change," she told Maureen's brother her son was released from Manitoba's Stony Mountain Institution, "so that it never happens again, what they did to David I won't give up until they do that."

David Milgaard walked free last week only because of the suffraging determination of his mother, Joyce Milgaard, who turned 62 on Saturday, achieved her objective after overcoming the courage to end the police. Justice Minister Kim Campbell and even Prime Minister Brian Mulroney. Eventually, the Supreme Court of Canada annulled Milgaard's

1970 conviction for raping and then murdering nurse's assistant Gail Miller in Saskatoon. Her efforts cost her her job and about \$700,000 of equity that she held in eight rental properties. There were extremely difficult periods along the way in 1978, she endured a period of intense loss from her husband, Lance, and in 1980, 77 days after Milgaard had escaped from prison, she had to undergo for her son to recover as a Toronto hospital after he was shot in the back by an inmate officer during his escape. She remains committed to proving her son's innocence the way she was so unconvinced, not unconvinced, but her last week she momentarily set her goal aside to serve Milgaard's hospital-posted departure from prison.

Right: Born in Peterborough, Ont., in 1936, Joyce Milgaard was a bright student who left school in Grade 9 to work in a sewing mill after her father lost his job as a furnace because of illness. In her late teens, after a brief return to school, she moved to Toronto, where she worked as a switchboard operator at The Toronto Star and later as a sales supervisor at

Marlboro's. She met Lance Milgaard in Vancouver. After marriage, David was born in 1962, followed by brother Chels and sister Susan and Maureen. The family was living in Langford, Sask., when Milgaard was convicted, but victims of the Milgaard case are still alive.

Despite the 1970s, Joyce Milgaard led the foundation for her son's campaign to free her son. To help support the family, she became active in at home sales, first with jewelry and later with subscription sales. Since after her separation from Lance, she began looking apartment for a really firm. She saved \$18,000 in a retirement savings plan and borrowed money to buy her own rental house. She later gave up her job and sold her real estate holdings to support her campaign.

Right: At first, she went to public hearings, media outlets and the police board, asking them to help put her son's people. But after he had been shot, she said, she became convinced he would never get out of prison as long as he refused to admit guilt and confront trying to escape. As a result, she decided to take more direct action. During the next 18 years, with friends family and friends, she tracked down witnesses who had testified against him. She and others made a time-extended of the crime scene and its movements on Jan. 31, 1988, which proved that he did not have time to be where the witnesses said he was and could not have been. She convinced a Winnipeg law firm, Welch Pappas, Scudell, to help without charge. She hired a forensic expert who concluded from the blood and semen samples that her son was not the killer.

But it was not enough. In February, 1991, Campbell turned down her request to leave the federal justice department to review the case. Still, Joyce Milgaard persisted. She and private investigator Phil Heiderman interviewed victims of serial Larry Prober, who in 1971 was convicted of a series of rapes that occurred in Saskatoon and Winnipeg around the time of Milgaard's murder. His method was strikingly similar to that used by Milgaard's killer. Then Milgaard would outside a Winnipeg hotel where Mulroney was making an appearance last September and talked with him as he left—getting his promise of help. In November, Campbell decided to review the Milgaard case.

In Joyce Milgaard's strict, direct gaze, there is a hint of the resolve that enabled her to persevere with what often seemed to be a lost cause. She credits her belief in Christian Scripture with giving her the strength to persevere her goal. She says that the rock solid in her religion's philosophy that, among other things, God, each day, forgives her mistakes, and she could start again. "I have a deep faith in God," she says. "His love overcomes our sins. If we follow him, we need not worry." The image of Milgaard that emerges is one of successful faith in a firm belief in God—Bible verses and Golda. The judicial establishment is big, but Joyce Milgaard has the sting.

JAMES DUNCAN with JOHN WORSWICK in Winnipeg

QUESTS FOR JUSTICE

A CRUSADER HELPS PEOPLE WITHOUT HOPE

For men and women facing life-long prison sentences or the death penalty for crimes that they claim they did not commit, James McCloskey is usually warmly welcomed. A former Philadelphia businessman and amateur Princetonian who played a central role in David Milgaard's release, McCloskey, 48, says that proving the innocence of people who have exhausted all legal avenues is his "peculiar and particular ministry." In the 12 years since he became convinced of—and then proved in 1983—the innocence of a man convicted of murder in the U.S., McCloskey says that he has devoted himself to serving innocent "sons and daughters home to their mothers." His latest success arose after he entered Princeton Theological Seminary with plans to become a minister following a successful career as a business consultant. But with the freighting of George De Los Santos, wrongfully convicted of killing a Newark, N.J., steel-car salesman in 1975, McCloskey said that he had found his calling. He graduated from the seminary and founded Princeton, N.J.-based Germana Ministries Inc., a nonprofit group devoted to righting serious political wrongs. With Milgaard's release, Germana has now won freedom for 12 prisoners. That record alone demonstrates the need for Germana to exist, said McCloskey, adding: "The justice system is far more flawed than the public wants to believe and those who administer it crave to believe."

Urges: In a basement office near the campus of Princeton University, McCloskey and his staff of two full-time employees, helped by a fluctuating number of volunteer law students, receive dozens of letters from convicted sons and women across the United States and Canada daily every day. According to Kate Germond, an associate of McCloskey's, Germana Ministries only takes on cases in which the convicted prisoner convincingly shows having had any role in the crime. The prisoner must also be serving a life sentence or be facing the death penalty and have exhausted all avenues of appeal. "We take cases we believe we can win through investigation," said Germond. "That means cases involving lots of facts, scattered evidence and investigative possibilities."

It often takes years for McCloskey and his detectives to uncover proof of a false conviction. Investigators interview witnesses who testified on both sides leading up to the convictions. They also dig for details that police or lawyers may have missed or ignored. Germond says that many witnesses change their original statements. She added: "Usually their consciences have been working on them."

Paul Henderson, a Seattle-based private investigator, worked on the



McCloskey: from a sensitivity to a career of helping innocents

McCloskey says that he struggles to pay the bills on Germana's annual budget of about \$175,000, if it is not for individuals, churches and corporations. But his work has earned him wide praise from members of the legal community. Philadelphia criminal lawyer Dennis Gogan says that McCloskey's efforts inspired him to help found an organization called Proving Innocents Imprisoned, a North American network of lawyers that provides McCloskey's clients with free legal assistance. "The never really met anybody like him," said Gogan. "And I don't think the justice system has even seen his like. He takes cases that are far beyond Amigaedon and takes them on."

Last week, when he learned that David Milgaard had left Manitoba's Stony Mountain Institution, McCloskey was in Grimsby, Va., struggling to establish the innocence of convicted murderer Roger Keith Coleman, who is scheduled to die in the electric chair on May 26. McCloskey said that the experience of going to work for a prisoner and succeeding in getting a release is the only reward that he seeks for his work. "There's a senseless to it that's unparalleled in my life experience," he says. "It's just a great feeling." For convicts like Milgaard whose cases attract McCloskey's attention, the results can be even better.

Milgaard case, Germana's only Canadian case, for two years after Joyce Milgaard contacted the organization. He says that the key to success lies in gaining a witness's trust. To obtain information from Russell Wilson, whose testimony helped convict Milgaard, Henderson, a former Pulitzer Prize-winning police reporter for The Seattle Times, said that he turned up untraceable at Wilson's house in Nelson, an southwestern British Columbia, and slowly persuaded him to open up. Referring to Wilson's testimony and other evidence gathered by Germana, Henderson noted that the federal "justice department had only to talk to these people. They didn't. We did."

Recent: The result was critical in Milgaard's case, because Wilson ultimately recanted most of his condemning testimony. McCloskey has even obtained recantations from witnesses who have put defendants on death row, aided bloodstains. "We don't put people under pressure," he said. "We don't want to hear something unless it's the absolute truth."



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BAMBI'S SOING— INSIDE AND OUT

Laurenza (Bambi) Bembene is the former Playboy Club waitress and Milwaukee police officer who was convicted of first-degree murder in the 1981 death of Christopher Schultz, former wife of Elton John. Bembene had married him four months before. Prosecution argued that Bembene, now 33, committed the murder because she resented her husband's support payments to Christine and their two children. Bembene, the prosecution suggested, also wanted to move into Christopher Schultz's home, half of which Elton John owned.

Since Bembene was sentenced to life imprisonment 30 years ago, she has claimed that other Milwaukee police officers framed her because she had launched a sexual-discrimination suit against the force—and was the star witness in a related federal investigation. In her suit, Bembene also made public photographs of an annual police picnic sponsored by a local bar where officers posed nude and associated with drug dealers. After exhausting several avenues of appeal, Bembene accepted

from Wisconsin's Department of Corrections in July 1990, and fled to Canada. The following account of her ordeal has been excerpted from Bembene's autobiography, *Woman on Trial*, published this week by HarperCollins.

When I first got to Tyneholm, I was depressed, but I was also scared, freaked out. At the prison period, I got more and more angry. Tyneholm was no money when it was built. There was no rooming, water or plumbing in the cells. The female prison population seemed to be living under 1930 sanitary conditions.

I didn't believe much in love, passion, but those who believe what will say something was "meant to be," that you'll meet someone if you are meant to. I met Nick, Dominick Gagliardi, through his sister, Maribeth. She was a Tyneholm inmate, serving a fairly short sentence. We were sitting outside, as a prison was with picnic tables scattered about, and this guy passed by on table on his way somewhere. He had on white shorts and a white shirt, like a tennis outfit, and my testosterone aside went off right away.

Domosh, who's that?
"That's my brother Nick," Maribeth said.
And I said, "Well, is he gay or is he married?" Because, you know, if my ups, that's all I can see.
"Neither," she said. "And, by the way, he noticed you, too."

Maribeth called home and told Nick what I'd said, and he started to write to me, and one thing led to another, so it does in those matters. I was kind of pleased about it, so I told the truth. I was flattered. And excited, too—I was having fun. Nick asked me to call him, and I did, and we agreed he should begin visiting. I put him in my visitors list, and he started to come up. First I grew to like Nick, and then I felt awful falling in love with him. It's a wonderful feeling, a guilty feeling, but... I was still a prisoner.

In prison, it's a survival trick to try to eliminate from your life all the things you desire, so it doesn't hurt that badly. You put your life on hold, you freeze-frame your feelings, you shut down your heart. I thought I had done that. But here I was—my heart hadn't dried up and blown away as I thought it had. I was shocked! And delighted. My pals noticed a change in me at once. I was a lot more open, a lot happier. People would say to me, "You must be in love or something," and I would just smile. At the same time, I was fighting it because I knew what it would mean. I knew for a while, falling in love was ridiculous.

Finally, Nick told me he loved me. We talked about my future—if I would ever get paroled—and he didn't seem to care about any of that. He asked me to marry him. He'd been hearing that if I got out of prison, he was afraid I wouldn't need him anymore, he seemed to need the marriage to make himself feel more secure. So I wasn't really surprised when he proposed the wedding.

There is a rule against sexual conduct anywhere in the institution, of course. The whole issue of consent becomes difficult in prison. If you find two people in bed, well, perhaps they want to be in bed together, but one might just be stronger than the other. In order to prevent rapes that result from grotesque power imbalances, prisons try instead to prevent all sexual contact wherever. So prisoners cannot kiss or hold hands with another prisoner or you risk being charged and thrown into the hole. Naturally, people try to get around the rules. Understand, these are people who have been deprived of sex for three, eight, 10 years, when you get a woman and you're in love, it's only human to want to struggle, to hug, to touch. Always under the watchful eye of the visitors-room guard.

One day in the spring, the guard saw Nick with his hand on my hip. We must have been looking around or something, because I don't even remember the incident. But I got a conduct report on it. They denied me the use of the library; they forbade me to use the telephone; they prevented me from playing tennis on the beaten-up old tennis court.

Complaining about sexual conduct was even more than usually useless. The guards tolerated lesbian behavior. I don't know why exactly—perhaps because lesbians don't get pregnant—but the institution consid-

eredly discriminated against heterosexuals. You think I'm asking this up? Not at all. I watched it closely for nine years, and I know. I wrote to the superintendent: "Why is it that you have lesbian couples visiting, and they're all over each other, kissing and doing this and that, but you don't enforce the rules?" Why?"

Then my appeal was denied. That was it. The last hope. The tunnel had closed on completely. We came to understand that the only way I would ever live again was to go over the wall. It was a mutual decision. It's important that you understand: I didn't get upset on my day and decide to take off, decide that I really wanted to get it off with Nick and for the rest of my life I'd be desperate for so many years, but there had always been one last chance, one last, slim hope that the system of justice would come to its senses, would understand that a prisoner had been persecuted in the name of this law. Instead, like a stranger at a night, they kept bowing the guards tighter and tighter until... until it was breathe, or die.

When you're in the same place for nine years, you get to know everything, every inch of every room, everybody's moods. Almost every inmate is a creature of habit, and one of a prisoner's habits is watching the visitors. You get to know which guards head for the kitchen for coffee as soon as they come on duty, which ones bury their noses in newspapers or probe the phone for hours. When you're plotting an escape, you have to know who's going to be on shift. It would be easier with some people than others. Basically, two things helped my escape. The security director wanted that when a prisoner was doing laundry, she had to stay in the laundry room until she was done. It worked to my advantage, because it allowed me to be absent from my floor. And nobody was further. The captain was conducting a white glove building inspection that evening. All the guards were preoccupied with dust-baiting regulars.

There was a window in the laundry that was not secured. Who knows why? Maybe they'd painted it and forgotten to get the steps back on. But there it was, calling out to me like one of the seams.

It was about two feet by two feet. It was high off the ground, but I was in a wonderful shape because I'd been running five miles every day and doing stretches. My rights a week, not to mention my tennis matches. So there I was, pushing myself through the window on my way out. I can barely say I've never been so scared in my entire life. My heart was pounding so hard it was like drum beating in my ears.

In the first few seconds after I got out, I gazed at the woods behind it.



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A deadly debate

Critics say AIDS predictions are exaggerated

Every three months, the Geneva-based World Health Organization publishes reports on the estimated number of people worldwide who are infected with human immunodeficiency virus (HIV) and the number who have, as a result, developed the debilitating and ultimately fatal acquired immune deficiency syndrome (AIDS). The WHO's latest report, published in mid-February, portrayed a rapidly spreading disease, with an million new HIV infections during the previous eight months, bringing the total worldwide to about 12 million. It predicted an even greater future, with as many as 40 million people infected by the year 2010. But a growing number of critics, in both Canada and the United States, contend that the WHO estimates are unrealistic and misleading. In fact, they say that the spread of the deadly virus in North America peaked during the mid-1980s, and that a two-year-old decline in the number of new AIDS cases diagnosed annually is trend that will continue through the 1990s. Said Joel Ray, a health economist at the University of Southern California in Los Angeles: "I don't trust the WHO reports on the number of people infected with HIV, in Africa or anywhere else. Their estimates have been wildly exaggerated."

The figures from the WHO, an organization affiliated with the United Nations, also raised some doubts about the threat that AIDS poses to the population as a whole. Most experts agree that the developing countries of Africa, Asia and the Caribbean, as well as spread largely through heterosexual intercourse. As a result, roughly equal numbers of men and women eventually contract AIDS. But Canadian and U.S. government statistics show that, despite warnings that AIDS could spread rapidly among heterosexuals, in North America AIDS remains overwhelmingly a disease that affects homosexual and bisexual men and intravenous drug users. Some experts now contend that AIDS statistics in both countries have made misleading predictions about the disease's potential for spreading among heterosexuals in order to encourage funding for AIDS research and prevention. Said Alexander Langmuir, a former chief epidemiologist with the Atlanta-based Centers for Disease Control: "There are no signs of a major new wave of AIDS. It's clearly a disease that is largely restricted to gay and drug addicts."

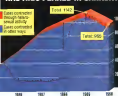
Those views are by no means universal in the

AIDS research community. The total number of AIDS cases diagnosed in Canada fell to 963 in 1990 from 1,142 in 1989, and comparable figures for last year suggest that the decline continued. Similarly, figures compiled by the Centers for Disease Control show that there were 25,153 new cases of AIDS diagnosed in the United States in the year ending Feb. 28, 1992, down from 28,494 a year earlier. Don Mackay, director of the McGill AIDS Centre in Montreal, said that the figures do not necessarily mean that the spread of AIDS has peaked. Earlier detection of new infection and improved treatments have delayed the number of AIDS cases being diagnosed, he said. In the absence of a cure, he added, almost all HIV infections are likely to develop into the fatal disease.

At well, activists deny that they have tried to manipulate public opinion about AIDS. Said Richard Buzynski, executive director of the Ottawa-based Canadian AIDS Society: "It's a complete falsehood to suggest that there has been some kind of conspiracy to try to keep people's attention on AIDS."

While the overall state of the epidemic is

HAS AIDS PEAKED IN CANADA?



debatable in North America, WHO officials insist that AIDS is still increasing at an explosive rate in the developing world. In December 1988, the WHO announced that it had received official reports of 130,000 cases of AIDS from 140 countries. By February 1992, the number of reported cases had jumped to 450,000. The organization estimates that the actual number of AIDS cases is probably closer to that figure, and attributes the discrepancy to underreporting by many Third World countries.

WHO officials have also consistently rejected those estimates of the number of potential

infection. In December, 1988, the organization estimated that five million people worldwide were infected with HIV. Conversely, it predicts that there will be 40 million AIDS infections by the year 2010. Said Stenbacker, a WHO epidemiologist in Geneva, said that the WHO estimates are based on anonymous testing of pregnant women at prenatal clinics, as well as testing of male and female patients who seek treatment for other sexually transmitted diseases. He added that the testing and collection of data is handled by individual countries in most cases and then submitted to the WHO.

Said, once health officials in Canada and the United States claim that it is difficult to estimate the number of new infections with any accuracy. Dr. Ruth Berkman, acting director of the Centers for Disease Control's HIV/AIDS division, said that it does not keep HIV infection statistics because there are no reliable methods of collecting them. And the University of South

ern California's HIV controls that the WHO deliberately overestimates the number of HIV infections. They help for political reasons. Said Ray: "They feel other AIDS bureaucrats have a vested interest in painting the bleakest picture possible, because that's how they get their money."

By contrast, there is a consensus among experts about the different patterns for the spread of the disease in the Western world and in developing countries. Dr. Frank Plummer, far out, a University of Minnesota specialist in infectious diseases, has spent the past eight years studying AIDS in Kenya. He attributes the African epidemic to socioeconomic conditions, particularly in major urban areas where large numbers of migrant male workers, concentrated in a few towns, have created large sex trades.

Plummer said that in Africa, HIV spreads through heterosexual intercourse largely because of the prevalence of early sexually transmitted diseases, particularly chlamydia, which opens genital tissue. He said that HIV is not spread to women enters the bloodstream of an unprotected sex partner through those breaks in the skin. Plummer added that the devastation of AIDS is undeniable, and that "in some places in Africa, half the hospital beds are taken up with AIDS."

In North America, meanwhile, anti-narcotics efforts compiled by the Canadian and U.S. governments show that the disease is still spreading in large numbers through het-



An AIDS patient in Zaire awaits test results; doubts arise over claims that the virus is a threat to the whole population

erosomal infections. About 80 per cent of the cases in Canada since the early 1980s have occurred among gay or bisexual men, while heterosexual infection accounted for only 4.3 per cent of the cases. (The rest were a result of drug users' needles, contaminated blood transfusions, transmission in the womb or from undetected cases.)

In the United States, officials of the Centers for Disease Control say that gay men, bisexual men or intravenous drug users account for 86 per cent of the cases. Among heterosexuals, who account for 14 per cent of American AIDS cases, most became infected with HIV by having sex with a bisexual male or an intravenous drug user. Reports from Canada and the United States also show that the number of new cases of AIDS diagnosed in both countries has dropped in the past two years for which complete figures are available. Said Berkeley's Murthy: "AIDS is not going to be a major heterosexual epidemic in the United States."

The controversy over funding arose from the fact that, although AIDS is still incurable, it does not risk among the leading causes of death in either Canada or the United States. It has killed 126,285 people in the United States since the early 1980s, while heart disease, the leading cause of death, claimed about 724,000 American lives in 1989 alone, the latest year for which figures are available. Similarly, AIDS has caused 3,432 deaths in Canada during the same period, while heart disease killed 63,873 Canadians in 1989.

Said, the Canadian government distributed a

total of \$18 million for AIDS research in the year ended March 31, 1992, compared with about \$13 million for heart research. Washington put \$1.5 billion into AIDS research and 1984 million into heart research during the fiscal year ended last Sept. 30. "Some activists have been misleading the public for years," said Los Angeles-based journalist Michael Parenti, author of the 1990 book *The Myth of Menstrual AIDS*. "Politicians should not even agree that AIDS is the number 1 public health concern in America. It's AIDS!" even among the Top 10 causes of death in America. If people don't know that, they are going to support that massive funding for AIDS research."

Some observers contend that the decline in the number of new infections in North America indicates that the spread of HIV actually peaked during the early 1980s. In all likelihood, no more than 850,000 Americans have been infected with HIV, they said, and the majority of them had acquired the virus by 1988. Eric Mintz, an epidemiologist and instructor at Bryn Mawr College in Pennsylvania, said that HIV/AIDS seems to be following the patterns of other epidemics spreading rapidly before reaching a plateau and then beginning to decline. "We have a bit of knowledge about the many diseases before, but we have ignored it all with AIDS," said Mintz. "It was on a provincial level from an AIDS in early 1985 and I couldn't believe what we were telling the public. We were predicting 30,000 AIDS cases in Canada by 1990. Well, there were about 5,000. So we were wrong by 400 per cent."

Said, Canadian medical practitioners report that the disease is still pitting new groups at risk, notably women and children. Dr. William Cameron, director of the HIV clinic at Ottawa General Hospital, said a leading Canadian researcher about the disease, said that 33 per cent of the 700 patients at his clinic are women. Six years ago, he did not have any female patients. At the same time, Dr. Stanley Reid, an infectious-disease specialist who works at Toronto's Hospital for Sick Children, said that the hospital has treated about 80 HIV-infected children during the past two years. He said that roughly 30 of the children were born to infected mothers, and the rest picked up the virus through contaminated blood products.

Who to blame for the disease yet to fight, AIDS activists in both Canada and the United States are still pleading for more governmental funding for research. Ottawa's Buzynski said that the Canadian AIDS Society is planning a major lobbying effort because Ottawa's five-year, \$129-million commitment to research and education expires at year's end. Long, a member of ACT UP New York, an AIDS organization that campaigns to draw attention to the disease, insists that "AIDS is still an epidemic, and still needs massive funding for research and prevention."

But as the debate over the exact rate and nature of the minor epidemic unfolds, a growing number of critics are challenging some of the basic assumptions of the AIDS

DARCY JENSH



Adding vitamins to Viceroy some users claim they feel more energetic

BEHAVIOR

Fuel for thought

Can 'smart drugs' improve brain power?

Melanie Parker usually refuses alcohol because, she says, it "kills the mood." Instead, the 30-year-old Toronto jewelry designer prefers the beverages available in a room known as the Smart Bar, which recently opened at a downtown nightclub, the Factory. There, Parker can sip a cool and cerebral drink: Dr. Lowe, which she says has an extraordinary benefit: it enhances brain power. The neurologic herbal drink is a strawberry-pear nectar that contains a nutrient concentrate called Ginkgo Gota Kola. According to Oregon-based Williams Co., which manufactures the Ginkgo compound, the liquid extract contains no herbs and vitamins, it designed to "increase mental and physical awareness." Parker says that the 83 drink makes her feel more alert and intelligent, asserts that she relies on the daily tonic to "get ahead of other people." The cocktail is one of the many so-called smart drugs and nutrients that manufacturers, retailers and consumers say can enhance memory, increase concentration and improve overall intelligence. "It makes my mind more sharper," said Parker, relaxing at the Smart Bar. "In 10 years, everybody will drink this for breakfast."

Until recently those supposedly so-enhancing recipes, containing vitamins, amino acids and other apparently harmless ingredients, were promoted mainly in the back-page advertisements of New Age magazines. Now, a growing number of health-conscious consumers are reaching for pills and potions in the hope of improving their brain power. Most physicians and scientists say that while the vitamin and amino-acid supplements that now line the shelves of health-food stores across the continent probably do nothing to enhance a user's intelligence, they appear to be harmless. But North Americans have begun importing and using another group of powerful chemicals known as nootropic drugs, which were developed to reduce suffering from brain disease and other diseases (not unlike a medical redefined as "acute-onset disease"). Some medical experts say that group of substances could have dangerous side effects if used for the wrong purposes.

Scientists say that chemicals and nutrients may eventually be developed to improve brain power or reverse some effects of debilitating brain disorders. "The brain is really the last frontier in biology," said Christiane Fölger, a

professor of neurologic sciences at the University of British Columbia, Vancouver, who is conducting research related to schizophrenia, Alzheimer's disease and other brain disorders, calls the claims of proponents of the current generation of products "pure nonsense." He added, "There is no such thing as a smart drug at present." Still, he said, "It is conceivable that one day we will find compounds that increase learning or memory retention."

Proponents of smart drugs and nutrients claim that more than 180 compounds are already effective in improving mental functioning. In their popular 1990 book on brain food, *Smart Drugs & Nutrients*, John Morganstern, a San Francisco-based writer, and Florida geologist Dr. Ward Dean name some forms of "cognitive compounds," many of which are legally available in the United States and Canada. They include products marketed under brand names like *Modus* and *Memory Fuel*. Many are simply large dosages of nutrients such as choline and serotonin, or amino acids like phenylalanine. Users claim that the substances increase the synthesis of neurotransmitters, including acetylcholine or dopamine, which trigger neural processes within the brain. *Smart* Morganstern: "The potential benefits are enormous."

The most popular products include a best-selling line of nootropic pills developed by two California followers of the New Age philosophy, Dark Phoenix and Study Share. Their New Jersey-based distributor, Life Services Supplements Inc., markets a Brain Food Plus. Pak that contains of Memory Fuel (a cholinergic powdered drink mix), a fruit-flavored vitamin, mineral and mineral mix called Brain & Share, Thioquinone Tix and nutrient pills known as Personal Radical Shift. The package of substances costs about \$100 for a one-month supply. *Smart* Aron By, president of Life Services Supplements: "Our claim is that these

will enhance your lives. For them, attention is power."

Smart drugs have become a staple at multi-level houses and at most health-food stores. Some Canadian retailers currently export large quantities of substances like *Phenox* and *Share's* products, but most of the U.S. firms involved in producing smart drugs have not yet set up distribution systems in Canada. They say that the market is too small to justify the difficulty and expense of meeting federal restrictions on testing and labeling products that claim to have health benefits. Said Gregory Nash, manager of Genesis Nutrition, a Vancouver retail outlet: "Our customers would love to get more of this stuff if we could bring it across the border."

While many doctors dismiss the claims of smart-drug proponents, some express awe at the growing popularity of the new class of nootropic compounds. Those drugs are legally

listed, the Washington-based Food and Drug Administration recently banned the export of several nootropic drugs because of illegal advertising, unsubstantiated claims and scientific data effects. While some users claim to feel more intelligent after taking nootropic drugs, others have reported muscle weakness and heart and liver problems.

Still, some users insist that they enjoy better concentration, memory and perception. "My wife's black as a thing of the past," said Jeff Mandel, a Los Angeles television director and writer who has used smart drugs for 10 years. "I feel a great clarity in my head." Other advocates of smart drugs say that they are needed as a sign of rapid change and information that they feel efforts to improve alertness and mental ability help to balance an otherwise-destructive society. "Too many people are satisfied with eating canned food and white bread while plotting themselves to float



Johnson (left) surveys 'smart' cocktails in friends' new way of living

available in Europe and are being tested in North America, but they have not yet been approved for general use in either Canada or the United States. Still, users are buying their own supplies from mail-order houses in Europe. Among the most widely promoted nootropic drugs is *Hydrex*, which is currently used in the United States for treating epilepsy and is used by its proponents to stimulate the growth of nerve connections between brain cells. *Hydrex*, a hormone that is used to treat some symptoms of diabetes, and *Protein*, which stimulates the way away from the central nervous system to delay salivary. More than 180 nootropic compounds are currently under development in the United States alone, and some experts estimate that the U.S. market for the substances could be as large as \$4 billion a year when the drugs are sold over the counter.

Although such drugs may enhance the mental functions of people with brain disease from strokes or disease, experts say that they are unlikely to make a healthy person smarter.

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THAT SINKING FEELING

On April 15, 1912, seven-year-old Eva Hart was sleeping aboard the luxury liner *Titanic* when her parents woke her; the supposedly unsinkable ship had collided with an iceberg and was slowly slipping into the frigid sea. That night, 1,523 passengers perished, including



Hart: "the horror of people screaming"

Photo by AP/Wide World

Hart's father, who stayed aboard to help others. "I remember the intense horror of hearing the people screaming," said Hart, now 87, whose experience are included in the Canadian-made film *Titanic*. "I'm the last survivor who remembers everything and can still get about," she added. "It was a terrifying night."



Witt (left) with Anderson: a pairing of fine celebrity figures

Romance at centre ice

One couple cutting a fine figure in celebrity circles are champion ice skater Katarina Witt and actor Richard Dean Anderson. Anderson, 42, is best known for his portrayal of an investigator on the TV series *MacGyver*. But like 25-year-old Witt, Anderson is no stranger to centre ice; his first career goal was professional hockey, and he remains an avid fan of the Calgary Flames. But they may soon have even more than tennis in common. Witt has said that she is interested in pursuing a new career in acting.

Modest victory

Glenis Jackson remembers—and uses—her roots. As a Labour Party candidate in the recent British election, the two-time Academy Award-naming actress was in Birmingham and Halesowen, a tiny section of London that is home to John B. Carré and Peter O'Toole. But Jackson's campaign emphasized her modest upbringing as a bricklayer's daughter in industrial northern England. And the strategy worked: Jackson, 55, became only the second Labour candidate in 40 years to win the riding. "I know my antecedents," she said tentatively before the vote. "I need no letters on my sleeve."



Jackson: "I know my antecedents"

From concertos to course work

During his 21 years as professor of the Hamilton Philharmonic, Boris Brott became known for such quirks as giving concerts in steel mills. But when the orchestra's board did not renew his contract in 1990, he joined

classical-music greats Tchaikovsky and Stravinsky; he enrolled in law school—in his case, at the University of Western Ontario, Brott, the son of fellow conducting great Alexander Brott, says that he needed a temporary change of pace. "School has been wonderful, especially the joy

Brott: back to the basics



of bringing my creaking brain into action," he told *Maclean's* last week. And while the 48-year-old maestro acknowledged that music and law are similar "in terms of interpretation," he ruled out a career change. Added Brott: "I don't even think about that—otherwise, the phone will stop ringing and my family won't eat."

THE CONCENTRATION GAME

In nearly 11 years on the PGA Tour, Richard Zokol of Richmond, B.C., managed to earn \$973,797 without ever winning a PGA tournament. And when the 35-year-old father of three finally secured his first victory on April 12 at the Dupont Casseway Golf Classic in Martinsburg, Mo., his accomplishment was overshadowed by Fred Couples's \$218,000 triumph on the same day at the inaugural Masters tournament in Augusta, Ga. Zokol, who once used a portable cassette player with headphones in an attempt to stay calm on the course, says that he became more focused on his game after a poor showing in 1991 forced him to squiggle for the Tour. "It was like a kick in the butt," he said. "I was facing the loss of my job, and I didn't like it."



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MUSIC

'Need your sweet kiss'

Bruce Springsteen sings of love and marriage

Almost five years have passed since Bruce Springsteen released a studio album, the astonishingly successful *Tunnel of Love*. Yet at that time, rock's reluctant superstar has remained in the limelight. In 1988, he headlined Amnesty International's Human Rights Now! tour, which traveled more than 35,000 miles and passed to more than one million people in 15 countries, four continents. Then he released a live four-song recording, called *Chimes of Freedom*, to benefit the same organization. At the same time, Springsteen's personal life went through bad-upward and around. First, there was his marriage, public divorce from model Julianne Phillips, followed by his marriage to backup singer Patti Scialfa and the birth of their two children, Jessica and Evan. Then reports emerged of another divorce—from his long-time musical partners in the E Street Band. Now, with the release of two new studio albums, *Atlantic City* and *Lucky Town* (both



Springsteen struggling to stay real

on Sony), 42-year-old Springsteen takes stock of that tumultuous period by presenting an intimate yet caustically modest self-portrait.

Devisingologizing his own image is something that Springsteen began doing with 1987's *Tunnel of Love*. Born in the U.S.A., his phenomenal mid-1980s album and tour of the same name, had turned the New Jersey native into a larger-than-life figure, a patriotic, Rambo-like champion of the downtrodden. But, apparently, Springsteen reacted no part of paganism or hero worship. With *Tunnel of Love*, he deliberately pulled back and focused on three domestic concerns. In the same way, *Atlantic City* and *Lucky Town* read pumped-up social anthems in favor of personal tributes to love, faith and hope in the 1990s. Although there is only an album's worth of good songs between the two Springsteen projects that is still one of rock's most talented writers. And several numbers show that he is now putting the angst of his public image into perspective.

Of the two, *Lucky Town* is the closer-to-home project. A near-solo effort in which Springsteen has written all 10 compositions and plays nearly all of the instruments, it is dedicated to his wife and two children. Like *Atlantic City*, *Lucky Town* is a collection of songs and stories about love and life. On the hard-rocking opener *Better Days*, a gravelly-voiced Springsteen acknowledges that he was losing a life, when he sings: "It's a sad song my friend who's left in heaven said that can't stand the company." He then points a convincing picture of happier times

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with Seattle. The last song, *My Beautiful Friend*, could easily be about his troubled relationship with Phillips. In it, he sings of "trekking himself" "the lucky one" and he says "crash[ing] down like a drunk on a barroom floor."

In between are fewer story songs that audiences largely expect from a songwriter who counts Woody Guthrie among his inspirations. Gone are the Spanish-infused and Ramo Rican jams that propelled Springsteen's earlier work. And no character is as vivid as Bobby and Janey were in *Tunnel of Love*. But two songs stand out: *Souls of the Deported* and *The Big Shanty*. The first, a bluesy hymn to victims of war and inner-city violence, comes to life when Springsteen contemplates his own son's mortality. And the second, with its heavy hard-rock-blues atmosphere, deals with the slippery slope of morality.

Human Touch, with 14 songs performed by Springsteen's new four-piece band, is a more varied and unrestrained collection. But despite fine performances from two of the best soul singers around, Bobby King and Sam Moore (of Sam & Dave fame), much of the music lacks the passion of earlier Springsteen albums. The material, some of it co-written with keyboardist Roy Bittan, the only remaining original E Street Band musician, covers a lot of ground. The title track does sound like classic Springsteen. Musically, it pines along like a well-tuned Chevy and then locks in with a revved-up part in which Springsteen leaps for a little compassion.

But the most striking songs on *Human Touch* are *Real Man* and *Real World*, which are obviously intended as companion pieces. In *Real Man*, Springsteen wades into the murky waters of masculinity, a subject made murkier by so-called new-wave philosophers popularized by such authors as Robert Bly. Springsteen, who had earlier written the Russian comparison with his proletarian-warrior stance and muscle-bound physique, distances the character in the song, and starts: "I don't need a gun to my fist, baby I'd need a new rent man." In *Real World*, he muses how he is seeking a normal life without celebrity laurels. "Ain't no church bells ringin'," he sings, "n't no flags unfurlin' that me and the love we're bringin' into the real world."

Other songs appear at odds with those sentiments. But Springsteen illustrates that he is aware of the contradictions. In *Lead Her*, he seems to enjoy spotting a black velvet painting of himself in his home town, but then acknowledges the pitfalls of stardom. "First they made me the king, then they made me the Pope," he sings, before adding ominously: "Then they brought the rope."

Such confusion is the strength of *Human Touch* and *Lucky Town*. And although Springsteen is merely crossing on an artistic level, the albums indicate that he has shifted into high gear as the personal front. Taken as a package, they reveal how one track after is struggling to stay real in a world that demands that its heroes take on mythic proportions.

NICHOLAS JENNINGS

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Robbins (left), Swarcovitz an evincing satire of decadent in the movie capital

FILMS

Hollywood exposed

Robert Altman skewers Tinseltown's cynicism

THE PLAYER

Directed by Robert Altman

It takes like Robert Altman is finally having his revenge on Hollywood. The maverick director, whose movies include such strongest classics as *M*A*S*H* (1970) and *Nashville* (1975), has now worked with a major studio since betting heads with Paramount executives over the making of *Popcorn* (1980). Now, he is suddenly the talk of the town. With his new movie, a star-studded comic thriller called *The Player*, the 65-year-old filmmaker has crafted an evening-long satire of decadence in the world's movie capital. And the same kinds of Hollywood excesses who are skewered in *The Player* seem to love the abuse: swelling a hit, several major studios bid for the right to distribute the film. "They're shameless, aren't they?" a chuckling Altman told *MovieWeek*'s last week.

The Player does to Hollywood what Tom Wolfe's novel *The Bonfire of the Vanities* (1987) did to Wall Street. It, too, is about a "master of the universe," in this case a movie executive who murders a screenwriter, then scrambles to cover up his crime. While making a clever mockery of Hollywood formula, it also contains the essential ingredients of that formula as prescribed by the executive. "See-

perce, laughter, violence, hope, heart, nudity, sex and happy endings." But each ingredient is deliciously twisted with irony. Adopted by co-producer Michael Tolan from his 1980 novel, *The Player* is one of the most ingenious and enjoyable movie comedies in ages. Superbly crafted, it shows Altman once again at the peak of his form—combining a subtle talent for improvisational drama with a ruthless satirical wit.

While Hollywood insiders can score *The Player* for its plot, outsiders can revel in a feast of celebrity soap opera. To create an authentic backstage for his fictional story, Altman attracted what must be a record number of extras for a single movie. His cast of "extras" includes dozens of stars playing themselves. To name a few: Julia Roberts, Nick Nolte, Angella Henson, Susan Sarandon, Bruce Willis, Lily Tomlin, Burt Reynolds, Mimi Rogers, Jack Lemmon, Tim Gaze, Jeff Goldblum, Rod Taylor, Harry Belafonte and Cher.

Altman says that he had no trouble getting so many stars to donate a day of their time. "I just asked them," he recalled. "They responded as if they were signing a petition of protest. It was almost political what they did. Nobody asked to read the script first. I gave them the 25-minute-long pitch over the phone."

The ritual of pitching scripts is the most

fix one

- Punctured bench balls
- Lawn furniture rust
- Loose window panes
- Tears in screens
- Rain gutter leaks
- Torn lounge pads
- Pool liner rips
- Loose auto trim
- Annoying rattles
- Sifts in seats
- Loose handles
- Separated rubber trim
- Broken book spines
- Rubber tips to legs
- Peeling wallpaper
- Damaged picture frames
- Rainwear leaks
- Sneaker gashes
- Lifting tiles
- Old baseball gloves
- Broken wooden toys
- Torn stuffed animals
- Broken cups
- Peeling wood veneer

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Editor's





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Italian Wines. Quality is the Art of Life.



Urban nights and the bright lights

BY ALLAN ROTHERINGHAM

Michael Wilson at the illustrious finance minister who recently wanted to be prime minister (and thought he was more qualified than the incumbent), once complained that "Canada doesn't have enough millionaires." A wonderfully argumentative concept, granted, considering the wonder of an ex-employee of the United States has provided with its current between its doubling rich and those who sleep on the New York streets with cardboard in their shoes and dog food in their gutters, but we suspect he was wrong.

It is one of the reasons why Wilson, with his truly charismatic speaking style and payable wealth, is now contemplating a change in life on Bay Street rather than at 24 Sussex Drive.

What Canada actually needs is more gossamer characters, the present example being Nick Auf der Mauer, known by all who love him and despite over him at Nick Off-the-Wall, boulevardier sage. We are at Montreal, watching the blood and the liver for a two-day birthday party, mounted to celebrate the 50th advent of his arrival—no event we are all unambiguously that he has reached.

Auf der Mauer, thanks to his celebrated long life, looks no more than 60—well, that's in a bad light. As he caroused at the first-charge doctor at a restaurant on Sherbrooke, just a minute from most of his greatest watering holes, "I'd be known. I was going to let this thing I would have taken care of myself."

No city but Montreal could have produced this birthday boy. Over the years, as Montreal's Gazette columnist and radio personality and city politician, he has detected the shifting currents of the troubled port of the moment—about the son of the Crescent Street eating-and-drinking revolves down the stage where Mont Royal subdues into the St. Lawrence.

When Nick drinks—having been raised out of his previous home—in where the workers, the gangs, the average athletes, the conspirators drink Montreal is a tribal town and Nick's tribe follows him.

Auf der Mauer, through bloodlines, is Swiss. His father arrived in Montreal two months



before the 1939 crash, therefore being, in his son's words, "The only Swiss in the world without money." Nick, who sports a moustache approximately the size of Luxembourg, is a bookie who is a essentially a journalist who is impatient with the moustache power of a columnist (you get it right, beel) and discovered that the only route to change society is to grasp power yourself (i.e. get into politics).

He has been running for office so long that half the voters in Montreal think he's a plus and half think he's a legend. He tried to meet Jean Drapeau as mayor (distracting in a book before anyone else the workings of the boom) and he was involved in the building of the Big One and the Olympic Games that were supposed to be Drapeau's proud legacy.

He has now been on city council for 30 years in a variety of parties that would astound British parliamentarians—is presently leader of the opposition forces at city hall—and there are

those, considering the end of the present Mayor Jean Drapeau, who think Auf der Mauer could actually inherit the office next time around.

Then, if truth be told, would probably not around (at least) the greatest resident of 24 Sussex Drive, who was a chronic companion of Auf der Mauer when the present resident was still drinking, which he does so now, and who checks in at the birthday dinner via a food and amusing telegram. As does Robert Boisson, current custodian of a part of Canada that walks and flirts with becoming a seaport.

Both these shrewd politicians know enough to pay attention to Nicholas Off-the-Wall, since a previous fit, out P. Trudeau, thanks to the War Measures Act had the moustache hid them in the shadows for two weeks, but was never documented, before shamelessly rejoining him, his moustache restored.

There are some 120 supporters celebrating their wallets for the birthday tribute, countless of them showing up on Sherbrooke since the restaurant ran out of tables and waiters. Among those made is Pierre Séguin, the famed one-legged friend of Gerda Munzinger—the German lady who provided one of Ottawa's few scandals—and who looks hale and hearty at 70-something. Nick tends to attract friends who are interesting.

Mark Starobin, the CBC who who invented *Art & Higgins* and the beloved *Barbara Frum*, has to recall his early days as a revolutionary with this magazine, now a city's free weekly. Nick's 50-year-old mother gets up, to demonstrate her lungs, means as with a high-decibel Swiss yodel. His daughter

Michèle will read news. Next night, the moustache and the survivors crowd to Nick's current abode. It is called Grumpy, one floor below the street, a five-place that never moves. On the wall are original cartoons from Terry (Avalon) Mosher, the Gazette artist now hesitantly trying to follow the sophistication of the puzzled Toronto Star cartoonists.

Best one is a sketch of a Montreal cop—after councillor Nick had been arrested for more-than-usual obstreperous behavior in a saloon—watching the police station along with a lung body on his shoulder. "How's McManus doing today, Nick?"

As the M's and the other political scoundrel out of Grumpy's rear door, a snowfall grumbles down, the worst April blizzard since the very day of the birthday boy's birth, that being the era when New York Rangers lost the Stanley Cup and goalie Nery Kenen won the Vezina Trophy. It figures.

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